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## Bonus Stock Recommendation

**Lysander Gold Corporation/LYS.V**  
4,022,297 shares outstanding; 4,422,296 fully diluted  
C\$.53/\$.55 — 52-week High/Low \$.60/.07

Lysander Gold is a developmental exploration company with an interest in a gold-copper property that, owing to its similarity to Continental Gold's Mt. Milligan project, should have a high market profile in 1990. Senior gold producer Teck Corporation took an equity position in Lysander on January 23, adding to interest that heretofore had been confined to the geological community in Vancouver.

Lysander holds an option to earn a 100% interest in the BET claim and an option to earn a 50% interest in the surrounding CAT claims, on Cat Mountain, 60 miles north of Continental Gold's Mt. Milligan project, which is located 150 miles northwest of Prince George, B.C. BP Resources Canada holds the remaining 50% of the CAT claims. In the past 18 months, Mt. Milligan has drilled off a geologic reserve in excess of five million ounces of gold and two billion pounds of copper. A feasibility study is scheduled for November, but my expectation is that we'll see a buyout of Continental between now and then.

On the strength of its Mt. Milligan discovery, Continental Gold has enjoyed a high market profile and has once again focused the attention of the geological community on large tonnage gold-copper porphyry deposits. In search of a "look-alike" deposit, Lysander's 1989 exploration season consisted of a soil sampling program that yielded a gold-copper anomaly that bore a striking resemblance to the results achieved earlier at Mt. Milligan. A trenching program yielded favorable results in the fall, and the results of a 2,000 foot diamond drilling program were announced in early January. These drilling results were consistent with the Mt. Milligan model, with the best hole to date containing 117 feet of 0.18% copper and 0.042 oz. gold/ton.

Further bolstering the Mt. Milligan geological model is the BP joint-venture, inasmuch as BP is also a partner with Continental Gold in the Mt. Milligan project. More important, to my way of thinking, is the technical team that is operating the exploration program at Lysander's BET and CAT claims: all of this group were active in the early stages of the Mt. Milligan project. This group's involvement with Lysander does not, of course, assure similar results, but it is perhaps the most compelling piece of evidence supporting the prospective nature of Lysander's project. The recent private placement by Teck Corp. further bolsters the credibility of the project. Purchasing 400,000 units at \$.50(C), Teck will hold 9.6% of the outstanding shares of Lysander and holds warrants to increase its interest to 13.7% of the company.

Initial results from the project, the Teck association, the experience of the technical team operating the exploration program, and the increased profile of this type of deposit within the geological community are likely to combine to produce a multiple of today's Lysander price before 1990 has run its course.

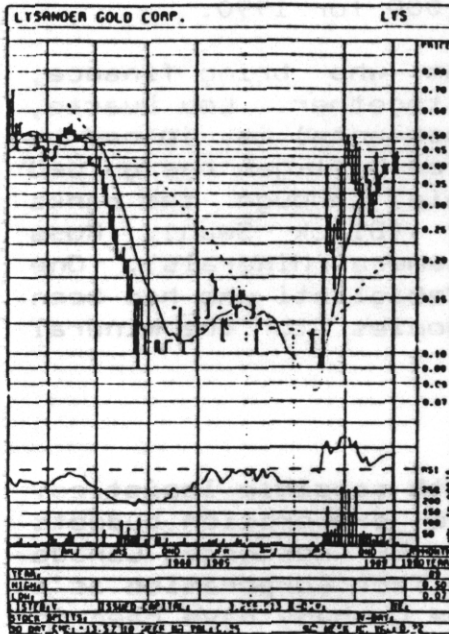
**Lysander Gold Corporation, P.O. Box 49071, Three Bentall Centre, Suite 1283 595 Burrard Street, Vancouver, B.C. V7X 1G4 [604] 681-8069.**

# RESEARCH

## LYSANDER GOLD CORPORATION

V-LYS

Lysander Gold is a Vancouver-based exploration company involved in an emerging bulk tonnage gold-copper discovery located in Northwestern British Columbia.



Current price : \$0.45-0.50  
 90 day high/low : \$0.56-0.25  
 Company rank : Development  
 Shares o/s : 4.17 million  
 Public float : 1.3 million  
 Insiders : 1.8 million  
 Working capital : \$220,000  
 Key project : Cat & Bet Mountain  
 Ownership : 50% & 100%  
 Project operator: Lysander  
 Reserves : none

### INTRODUCTION

The largest exploration expenditure in Canada during 1989 was made by Continental Gold Corp. at the Mt. Milligan Deposit. Over the past two years Continental and other mining companies have re-activated a search

for bulk tonnage porphyry targets. Historically, these porphyry bodies were identified and mined as copper deposits with any precious metals search excluded during exploration. In spite of this, significant amounts of gold were recovered as a by-product of the copper concentrates, thus the reason for the surge in the exploration for these targets.

### CAT MOUNTAIN PROPERTY, NORTHWESTERN BRITISH COLUMBIA

Through the efforts of the Company's Director Don Mustard, founder and former General Manager of BP Minerals Canada, the CAT property was optioned from BP Resources of Canada. Lysander will soon earn a 50% interest in the CAT claims from BP Resources of Canada Ltd. Lysander controls 100% of the BET claim group which is strategically located in the centre of the CAT claims (fig. 1). We feel the CAT/BET property (50 sq. km.) represents one of the better land positions in the area. The property is accessible by logging roads and the local terrain is favourable.

Mineralization on the Cat Mountain property has many of the idealized signatures (setting, rock type, mineralization style) demonstrated from other producing and non-producing deposits in the Quesnel Trough. Armed with a good property the Company conducted a programme of geochemical sampling and trenching in 1989. Significant assay values of copper and gold were apparent from the trenching work and the Company proceeded into a seven drillhole programme last fall.

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Spectacular results were returned from the first hole while the remaining holes had encouraging values. A lot of work remains to be done on this property; results from 1989 must be seen a success since this was the first concerted effort on the property. The Company is enthusiastic about the project and hopes to complete a \$1.2 million programme of exploration at Cat Mountain in 1990. Teck Corporation has recently provided Lysander with an initial financing of \$200,000 for 1990.

The Company is managed by a diverse team who bring finance, exploration, and development experience together. Lou Duarte, President, (also President of Mintax Placements) is joined by Don Mustard, and Andrew Milligan. Andrew Milligan has guided several Junior companies (Glamis, Cornucopia) through the ranks to production, as have Arthur Fisher (Black Swan), Ross Glanville (Centruion) and Bruce Kennedy (Asamera Minerals). One of the Company's key consultants is Mark Rebagliati who has been instrumental in modelling the porphyry bodies to the mineral industry, especially Continental Gold.

**CONCLUSION**

Lysander Gold has good ground in an area with sensible logistics. The major mining companies have sizable exploration budgets slotted for the area; moreover, Lysander has BP Resources Canada Limited as their joint venture partner and Teck Corporation as a major shareholder. The common shares of the Company have been in a passive accumulation mode for several months now and have recently moved up on good volume.

**RECOMMENDATION**

At the current price levels, we rate the shares of the Company as a speculative buy.

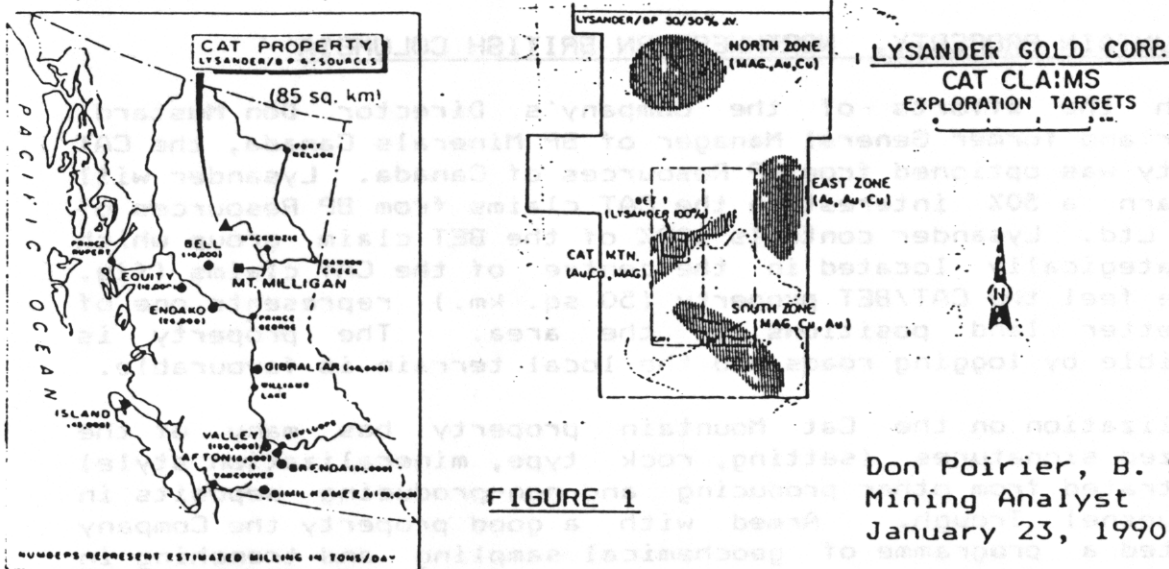


FIGURE 1

Don Poirier, B. Sc.  
Mining Analyst  
January 23, 1990

Chart courtesy of the Independent Survey Company

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