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MT. MILLIGAN - MACKENZIE, B.C.

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From: MARK REBAGLIATI

Date: SEPT 26-1989 Time: ____

To: LYSANDER GOLD CORP

Attn: LOU DUARTE

Facsimile Number: 688-2346

Comment: CAT PROPERTY MEMO

Number of Pages (excluding this one): (4)

NOTE:

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September 26, 1989

Lou Duarte, President
Lysander Gold Corporation
1283 - 595 Burrard Street
Vancouver, B.C.
V7X 1G4

Dear Lou:

The following comments are made after my examination of the CAT Property on September 25, 1989.

1. The porphyritic syenite stock and related radiating syenite dykes intruding the augite porphyritic volcanics substantiates that a high level subvolcanic alkaline intrusive porphyry environment exists on the CAT claims.

2. Features common to <u>productive</u> alkaline porphyry systems are:

   a) massive magnetite veins and pods with or without copper and/or gold, ie. Copper Mountain, Afton, Cariboo Bell, Mt. Milligan

   b) disseminated hydrothermal magnetite

   c) potassic alteration: pink potassium feldspar veining and/or flooding and/or secondary biotite

   d) porphylitic alteration: epidote, chlorite, calcite, pyrite

   e) copper-gold mineralization associated with the sulphide minerals bornite, chalcopyrite and pyrite

   Note: Items a to e generally occur peripherally to an alkaline (syenite-monzonite) pluton.

3. Features a to e are present in varing intensities indicating that a productive porphyry gold-copper environment exist on the CAT Property.

a)the extensive magnetic anomaly extends well beyond the surface trace of the syenite stock indicating large volumes of altered and potentially mineralized volcanic rocks

b)large, high contrast copper and gold soil anomalies indicate widespread mineralization

c)limited surface trenching has exposed auriferous magnetite veins (Hill Top zone) and two extensive zones of copper mineralization with secondary magnetite, chalcopyrite and bornite (West and Upper zones) associated with potassic alteration

d)all mineralized zones appear to have a strong structural control

4. One feature common to most alkaline gold-copper porphyry systems which has not yet been identified on the CAT Property is an extensive pyrite zone. This zone may occur intimately within the zone of copper mineralization, as at Mt. Milligan or as a partial halo around the copper zone. In many cases the pyrite zone is barren however, there are several exceptions where peripheral pyrite zones carry important concentrations of gold (Mt. Milligan and OK gold deposits).

The pyrite mineralization situated at the base of the mountain south of the Upper Copper Prospect may indicate the presence of a pyritic sulphide system.

Exploration Techniques

1. Hoe trenching is cost effective in areas of shallow overburden - all exposed bedrock must be sampled to identify auriferous zones with or without a high sulphide content.

2. Magnetometer surveys are essential, but anomalies are not necessarily gold-copper specific.

3. IP surveys are essential to outline the total sulphide system - blind deposits are common because of the recessive nature of mineralized rock. The pyritic rocks to the west of the Mt. Milligan deposit are only geochemically anomalous in gold. The deposit does not outcrop.

4. Detailed geological mapping (1:2000 scale) of lithologies and alteration assemblages is essential for assessment of all geochemical, geophysical and geological features. To be effective all exploration techniques must be integrated and plotted on a compilation map.

Recommendations - budget permitting

1. Geologically map the property.
2. Chip sample all trenches for gold and copper.
3. Cover the full extent of all magnetic features (in progress).
4. Trench and sample the southern pyrite zone at the base of the mountain. Run multi-element analyses.
5. Cover the entire potentially prospective areas with an IP survey.
6. Diamond drill the Upper Copper (1st priority), West (2nd), and Hoffman (3rd), zones utilizing NQ equipment. The fractured nature of the surface rock suggests that a light drill may have difficulty, a Longyear 38 is recommended.

Anticipated Drilling costs are estimated as follows:

Diamond Drilling NQ Holes	$23.00/ft
Mud, Water and Additives	4.00/ft
2 Metre Samples for Gold & Copper Assays	3.80/ft

Allow for two days mobilization and two days demobilization.

Anticipate 200 feet of drilling per day.

One geologist and one helper will be required for 3 days before drill mobilization and for 5 days after demobilization.

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Assuming 1650 ft of NQ Diamond Drilling:

Mobilization/Demobilization	$5,000.00
Drilling (including mud, water and assays) (1650 ft @ $31.00/ft)	51,150.00
Cat Time (50 hrs @ $90.00/hr)	4,500.00
Geologist (17 days @ $300.00/day)	5,100.00
Helper (17 days @ $135.00/day)	2,295.00
4x4 Truck (17 days @ $100.00/day)	1,700.00
Travel, Meals, Motel	1,000.00
Drafting report reproduction, etc.	800.00
Report Writing	3,000.00
	$74,545.00

Sincerely,

C.M. Rebagliati, P. Eng.

CMR:lc