To: The Directors
Lysander Gold Corporation

Gentlemen:

The alkaline gold model was developed in British Columbia, Canada for a number of copper-gold and gold properties which lie within the Quesnel Trough, a linear belt of upper Triassic to lower Jurassic, submarine calc-alkaline to alkaline volcanics and co-genetic plutons.

These deposits were recognised in the early 70's and clear exploration guidelines were established at that time by such British Columbia geologists as Fox, Barr and Hollister. Falling within this classification were deposits such as Copper Mountain and new discoveries such as Afton. A more recent discovery is Mount Milligan which is undergoing serious exploration at this date and which has focussed attention on a sector of the Quesnel Trough which lies to the north of Prince George.

The alkaline gold model appears to include the following events:

1) Development of an explosive volcanic centre associated with interbanded basaltic, augite porphyry flows and thick breccias.

2) A quiescent period with the deposition of tuffs, sediments and carbonates.

3) Renewed volcanism with eruptions of alkaline intermediate to felsic volcanics and emplacement of zoned, subvolcanic diorite-monzonite-syenite stocks. Porphyry copper-gold deposits developed around these intrusions

Strong magnetic signatures derived from the introduction of magnetite characterise these systems.

Three main targets for exploration lie within these systems:

1. Porphyry Cu-Au deposits such as Afton, Copper Mountain and Mount Milligan.

2. Q.R. type gold deposits.

3) Skarns - such as Hedley?

The CAT property, recently acquired by Lysander, lies within the Quesnel Trough approximately 150 km northwest of Mackenzie, B.C. The property is underlain by Takla Group volcanic rocks, mainly andebasalt fragmentals and augite porphyry flows. These are intruded by diorite, monzonite and syenite that are related to the Hogem batholith which outcrops 2.5 km to the west. The property shows strong magnetic relief.

Previous interest in the CAT claim, was confined to sulphide copper-gold porphyry potential of the syenite porphyry mass exposed in trenches on top of the mountain. Original trenching was by Croydon Mines in the 50's and some work was carried out by Cominco in the early 70's and by B.P. in the late 70's which included two diamond drill holes to test for copper potential and a small program of Winkie drilling to evaluate known gold bearing veins. In the latter case core recovery was minimal through mineralized structures. Some additional stripping of gold and copper bearing magnetite veins was carried out by A. Gerum, in 1987.

In 1984 archived pulps that were resampled for gold by B.P. outlined a major gold anomaly. This has been reconfirmed by Lysander in the spring of 1989.

Dr. S. Hoffman, one of Canada's distinguished geochemists and who is familiar with the geochemistry of both the Q.R. and Mount Milligan deposits has reviewed the geochemistry of the CAT property and reports:

"Outstanding responses for gold and copper are outlined in the minus 80 mesh and minus 10, plus 80 mesh fractions of soil samples from the CAT claims. The anomaly is extensive, exceeding 2 km in length and over 400 m in width where values in gold typically exceed 50 ppb to maxima in the 0.5 gm to in excess of 1 gm range and copper values exceed 225 ppm to maxima in excess of 1,000 ppm. These responses have not been subjected to intense followup effort.

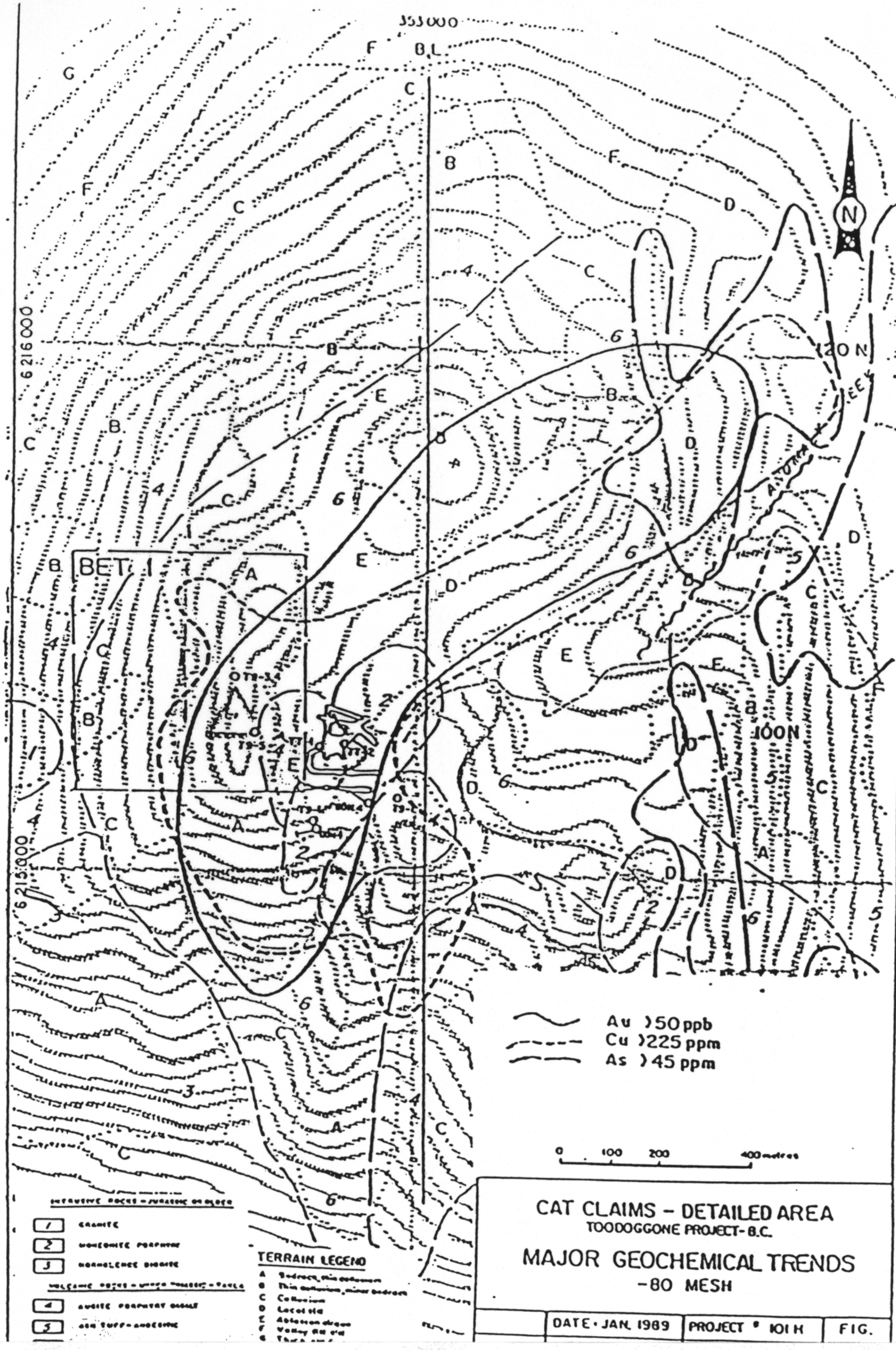
At the current stage of evaluation, anomalous conditions are directly comparable in size and strength with those reported for the Mount Milligan deposit some 170 km to the southeast and the Q.R. deposit some 450 km to the southeast."

Dr. Hoffman has studied the dispersion of metals on the CAT property with the assistance of a terrain and surficial deposits analyses by D.E. Meynard M.Sc. and he considers glacial dispersion and downslope mechanical movement to be limited to a maximum of 200 metres and 50 metres respectively.

He concludes that reanalysis has confirmed the size and extent of the B.P. copper-gold soil anomaly. Bedrock sources have been predicted and followup sampling and trenching is required to establish diamond drill targets.

A staged exploration program this summer will include sampling and trenching to bedrock to define diamond drill targets.

D.K. Mustard
May 1, 1989


353000
B.L.
6 216 000
6 215 000
BET 1
120 N
100N
Au >50 ppb
Cu >225 ppm
As >45 ppm
0 100 200 400 metres
GRANITE
TERRAIN LEGEND
CAT CLAIMS - DETAILED AREA
TOODOGGONE PROJECT- B.C.
MAJOR GEOCHEMICAL TRENDS
-80 MESH
DATE - JAN. 1989
PROJECT # 101 H
FIG.