

A-Z

LYSANDER GOLD CORPORATION - LYS V

520005

Issued:	3,822,297	Tel #:	(604) 681-8069	Working Capital:	\$50,000	52 Week Price Range:	\$.07-.50
Diluted:	4,122,297	Contact:	Lou Duarte	Long Term Debt:	None	52 Week Volume:	2,378,000

Background: From a general Contwoyto Lakes program to a focused copper-gold prospect.

Lysander Gold was listed on July 23, 1987 following an IPO of 500,000 shares at \$.70 by Canarim. The prospectus project covered a large land position in the Contwoyto Lakes area of the Northwest Territories, where Echo Bay Mines had successfully brought the Lupin Mine into production in 1982. Bow Valley Industries had subsequently begun acquiring a large land position in the area (295 sq km), spending about \$3.3 million in the process. Several showings of Lupin-type mineralization in sulfide iron formations had been discovered. In February 1987 LYS optioned a 50% interest in the myriad of property interests Bow Valley had assembled over the years. Under this agreement LYS had to spend \$600,000 during 1987 to earn a 10% interest, and a total of \$3.5 million by 1990 to earn a full 50%. By 1989 LYS had earned a 10% interest in the entire project and a direct 30% interest in the OP property, spending over \$1 million. High-grade gold intersections had been obtained on the OP property in 1987, but could not be duplicated in follow-up work. In 1989 both Bow Valley and LYS decided to let their Contwoyto Lakes properties become dormant and watch the results from nearby active programs by Cominco and Echo Bay.

On another front, 1988 was the year when United Lincoln Resources realized that its Mt Milligan Property possibly hosted a huge copper-gold deposit. This did not pass unnoticed by Don Mustard, a director of LYS, who had been general manager of BP between 1972 and 1986, during which period he headed a large scale regional exploration program looking for copper-gold mineralization in British Columbia. One of his pet projects became alkaline copper-gold systems, which previously had only been viewed in terms of their copper content. In 1983, when the Geological Survey of Canada released regional geochemical results, he led a staking rush that enabled BP to tie down the Mt Milligan property. Interest in the project was lost, however, with the subsequent Selco merger, and in 1986 Don Mustard had been retired. After watching developments on the Mt Milligan prospect, which BP had optioned to Lincoln in 1986, he approached BP on behalf of LYS with a plan to option his second favorite copper-gold prospect, the CAT #1-2 claims. But not before LYS had optioned the BET #1 claim, nestled on top of the mountain that the 28 unit CAT claims surround. BP optioned 50% of the CAT claims to LYS in February 1989 for only \$150,000 exploration over 2 years (subject to a 10% back-in right), and declined to participate in the BET claims. Most of 1989 has been spent resampling and trenching the original geochemical anomalies. To finish off the 1989 season a 1,811 ft 7 hole drill program was completed in October.

Structure: Good liquidity, possibly under accumulation.

Escrow:	750,000	@ \$.01	
Seed:	250,000	@ \$.25	
Seed:	500,000	@ \$.40	flow-thru
Primary:	500,000	@ \$.70	July 23/87 Canarim
Private Placement:	200,000	@ \$.90	July 23/89 flow-thru DOF 1987
Private Placement:	220,000	@ \$ 1.46	July 23/89 flow-thru NIM 1987
Private Placement:	239,213	@ \$.46	Apr 21/88 flow-thru NIM 1988
Private Placement:	560,000	@ \$.50	June 14/88 flow-thru 25 places
Finder's Fee:	38,000		June 14/88
Asset Acquisition:	50,000		Apr 12/89 100% BET Cls
Private Placement:	200,000	@ \$.25	Oct 10/89 flow-thru 7 places
Private Placement:	*314,284	@ \$.35	Oct 12/89 flow-thru 11 places

(* subject to VSE approval) LYS has outstanding options of 260,000 at \$.44 and 40,000 at \$.25. Much of the stock issued to the flow-thru funds has apparently been tied up. Rumoured under accumulation by the geologist community.

Capital: Funding for next year's program will have to be raised.

As of June 30/89 LYS had working capital of \$165,000. Since then \$160,000 has been raised. After spending about \$290,000 on both the CAT and BET claims, LYS will have about \$50,000 working capital.

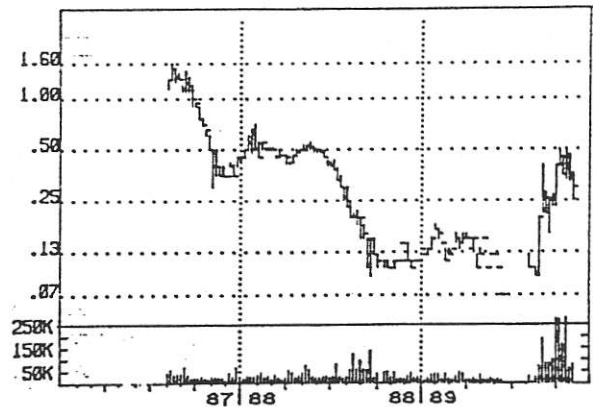
Management: A diverse team of experienced professionals itching for a big one.

LYS has a strong management team experienced in both the technical and promotional aspects of running a public exploration company. Management controls about 1,800,000 shares. Lou Duarte, a former project analyst for Bethlehem-Copper and Cominco, was in charge of operations for TRV Minerals between 1981-85, helped found Athena Gold and currently runs Mintax Placements of the the Mintax flow-thru funds. Andrew Milligan has been involved with TRV Minerals and Glamis Gold, is currently a director of Cornucopia Res (CNP-T), and was recently recruited to promote Ron Philp's Windarra group. Ross Glanville, a mining engineer, has been involved with several well-promoted companies, including Technigen, Giant Bay Res (GBY-T), Centurion Gold (CEU-T) and Black Swan Gold Mines (BSW-V). The latter is the baby of another director, Arthur Fisher, also a mining engineer. Don Mustard, formerly with BP and currently a director of Asamera Minerals, brings to the company an intimate knowledge about alkaline copper-gold deposits. Bruce Kennedy, formerly president of Asamera Minerals and now in charge of the PT Pelsart group based in Australia and Indonesia, brings an international network to LYS.

Story: Do we have an alkaline copper-gold deposit similar to the Mt Milligan?

Management believes that the CAT/BET prospect has the potential to yield a copper-gold deposit comparable to the Mt Milligan deposit under development by Continental Gold (CNT-V). Continental Gold's predecessor, Lincoln Resources, had optioned the Mt Milligan prospect in northern British Columbia from BP in April 1986, and spent the next few years exploring for a medium grade medium tonnage deposit similar to the QR deposit of Dome Mines. Results were not particularly exciting until work in 1988 yielded long intersections of low-grade copper-gold mineralization, suggesting to management that the property hosted a very large disseminated copper-gold deposit. Historically the economics of such low-grade copper deposits had only been evaluated in terms of their copper content; when copper prices sagged during the late seventies and early eighties, interest in these deposits faded. At the same time, however, gold went from \$35 per ounce to the \$300-500 range. Given declining North American copper reserves, the recent strength in copper prices, and the new bonus value of the gold content, large tonnage copper-gold deposits are now being viewed from a totally new perspective, and Continental Gold, planning a 50,000 tpd open-pit operation for its 200 million ton Mt Milligan deposit (0.35% copper 0.02 opt gold), is leading the way.

On the basis of geochemical and geophysical signatures on the CAT/BET claims, LYS believes it is sitting on top of an alkaline copper-gold system similar to the Mt Milligan deposit. Results from a 1,811 ft 7 hole drill program are expected mid-November, but with only \$290,000 spent compared to the \$6-7 million already spent on the Mt Milligan project, the prospect has hardly been touched. So far hole #1 has intersected 117.5 ft of 0.18% copper and 0.042 opt gold, an encouraging sign for the alkaline copper-gold hypothesis. A significant drill program is likely to be scheduled next June, though a possible winter drill program on some of the swamplier ground is not out of the question.





NEWS RELEASE

VSE Symbol: LYS

For Immediate Release

October 18, 1989

Initial Sampling Indicates Discovery of a Major Copper/Gold Porphyry System

Lysander Gold Corporation (LYS - Vancouver Stock Exchange) announces that analyses from its recent trenching program at the CAT property have yielded significant widths of copper/gold mineralization which may indicate the presence of a major economic porphyry environment.

Lysander has an option to earn a 50% interest in the CAT property and an option to earn a 100% interest in the internal BET claim. The property, accessible by road, is located 90 miles northwest of the Mt. Milligan deposits in B.C. and is in a similar geological setting.

Trenching Program

The trenching program has been based on the presence of bornite, chalcopyrite and gold bearing magnetite veins hosted by altered volcanic units adjacent to a syenite stock. Trenching results have been used to select initial drill targets. Trenching has been completed across only a portion of the apparent width of mineralization on two zones exposed on Cat Mountain. Significant results of the program are shown in Table 1.

Drilling Program

Following the very encouraging results from trenching, a 2,000 foot diamond drilling program commenced on October 9th, 1989. The initial drill hole was located on the Upper Copper Zone and is designed to test the true width of the mineralization and grade continuity to depth. Results of this hole and subsequent holes will be announced as available.

Increase of Claim Area

Because of the success of the exploration program to date Lysander has increased the CAT claim area from 7 sq km to 85 sq km. It is noted that staking activity in the area of the CAT claims has increased substantially over the latter part of September and early October.

On behalf of the Board

Lou Duarte, President
(604) 681-8069

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.

Table 1: Results of Sampling Program

October 1989

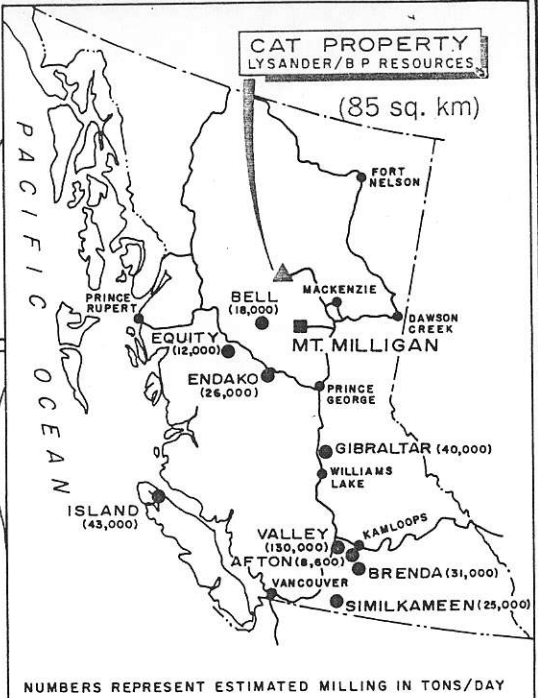
Zone	Horizontal Distance (ft)	Copper %*	Gold oz/ton*
Upper Copper Zone (South Face of Cat Mountain)			
Trench 25.....	97.....	1.64.....	0.02
Trench 25 appears to be mineralized over its entire length of more than 300 feet but only the most obvious mineralization has been sampled to date.	36.....	No Sample.....	No Sample
	66.....	0.20.....	0.05
	39.....	No Sample.....	No Sample
	39.....	0.32.....	0.04
	28.....	1.74.....	0.01
Lower Copper Zone (Approximately 150 feet south of Trench 25)			
Trench 24.....	166.....	0.23.....	0.03
West Zone (West Face of Cat Mountain 600 feet north north-west of Upper Copper Zone)			
Trench 20.....	77.....	0.84.....	0.02
Trench 28.....	35.....	1.95.....	Trace
Trench 27.....	24.....	0.21.....	0.01
Upper West Zone (Approximately 150 feet north of West Zone)			
Trench 18.....	50.....	1.50.....	Trace
Trench 19.....	31.....	1.34.....	0.01
Road Cut.....	182.....	0.72.....	Trace

*All assays have been completed by atomic absorption technique and are at present being checked by fire assay.

MAY 21 1972

CAT PROPERTY
LYSANDER/B.P. RESOURCES

(85 sq. km)



UPPER WEST ZONE

TR-18
1.50, Tr
50

TR-19
1.34, 0.01
31

Road Cut
0.72, Tr
182

No. 1 MAGNETITE VEIN

V.G.

No. 2 MAGNETITE VEIN

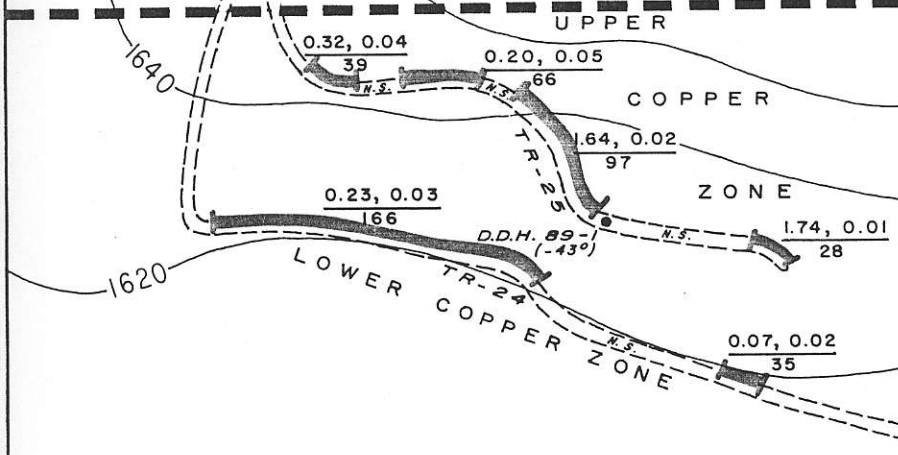
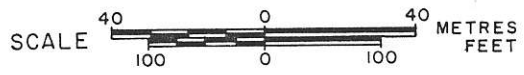
BET 1
(LYSANDER 100%)

TR-20
0.84, 0.02
77

TR-28
1.95, Tr
35

TR-27
0.21, 0.01
24

WEST ZONE



CAT 1
(LYSANDER/B.P. RESOURCES)

