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August 23, 1990

For Immediate Release

STAGE I RESULTS FROM CAT MOUNTAIN

Lou Duarte, President of Lysander Gold Corporation, announces that BP Resources Canada Limited, as operator, has reported on progress in the Stage I exploration program at the CAT Property Joint Venture in the Omineca Mining Division, British Columbia.

Results from the holes drilled southward on the Upper Copper Zone indicate that this zone appears to be terminated by oblique faulting in the south and that the main target lies to the north on Lysander's wholly-owned BET claim.

The Upper Copper zone, which was intersected in previously reported drill holes 89-1, 89-4, 90-1 and 90-3, and in drill hole 90-7 may be compared to the Esker zone at Mt. Milligan which is adjacent to the main porphyry gold copper systems. This zone strikes north-south and is vertical with a strong structural component and contains high grade, gold-bearing magnetite veins. Lysander is mobilizing crews and equipment to trace this zone northwards into the BET claim.

BP's effort will now be directed at a new zone of interest towards the east. The zone commences some 500 metres east of the recent CAT Mountain drilling and continues across the southeast ridge of CAT Mountain for at least 500 metres. A system of north-south striking magnetite/hematite veins in Takla volcanics occurs on either side of a 250 metre-wide syenite intrusion which contains magnetite veins and a magnetite breccia zone. Rock sample results received to date range up to 1.6% copper, 1.2 oz/ton silver and 0.06 oz/ton gold.

At the base of the hill, some 2 km to the southeast of the recent drilling, a new porphyry zone has been partly outlined supported by IP with copper and gold in soil results. Drill hole 90-14 tested the western edge of this anomaly and whilst copper and gold values were low, hydrothermal alteration was moderate to intense.

The program of line cutting, IP and magnetometer geophysical surveying and soil sampling is being accelerated and expanded to cover this previously untested area with the objective of establishing drill targets.

Work also continues on the Central and North CAT zones where detailed mapping, sampling and IP surveying will follow up anomalous soil results.

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DRILL RESULTS

Stage I drilling has been completed and the following results have been received to date.

DDH 90-1 was collared next to 89-4 and drilled east at -45 degrees to a depth of 500 feet. From 10-331 feet it intersected 321 feet averaging 0.12% copper and 0.035 oz/ton gold.

DDH 90-2 was drilled approximately 330 feet southeast of 90-1 and was directed east at -45 degrees. Values rarely exceeded 0.4% copper and 0.01 oz/ton gold.

DDH 90-3 was collared approximately 160 feet southeast of 90-1 and was drilled east at -45 degrees to a depth of 427 feet. From 10-253 feet it intersected 243 feet of 0.53% copper and 0.01 oz/ton gold including an intersection from 115 to 253 grading 0.88% copper and trace gold.

DDH 90-4 was drilled west from the same collar as 90-1 at -60 degrees to 500 feet. Gold values throughout vary from trace to 0.03 oz/ton and sporadic copper values up to 0.4% with no strongly developed sections.

DDH 90-5 was collared 330 feet west of 90-2 and drilled west at -45 degrees to 400 feet from the western edge of the zone as defined by trenching in 1989. Only high background values (up to 0.08% copper and 0.017 oz/ton gold) were intersected.

DDH 90-6 approximately 160 feet southeast of 90-2 was drilled at -45 degrees for 389 feet and was entirely outside the southern termination of the zone.

DDH 90-7 was drilled to the west from the same setup as 90-6 at -45 degrees to a depth of 498 feet and intersected 34 feet from 12-46 feet containing 0.48% copper and trace gold.

DDH 90-8 was drilled 200 feet southwest of 90-7 and directed southwest at -45 degrees for 650 feet. A strong shear zone contained elevated gold values of 0.048 oz/ton over 33 feet from 528-561 feet.

DDH 90-10 collared approximately 330 feet southeast of 90-8 was drilled west at -45 degrees for 608 feet. Samples rarely exceed 0.1% copper and only one 6 foot section contained 0.03 oz/ton gold.

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Lysander Gold Corporation

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DDH 90-14 was drilled to 600 feet at the edge of the strong IP anomaly in the northeast of the southern grid some 2 km east of the Upper Copper zone. High background copper values were accompanied by moderate to intense hydrothermal alteration.

Drill Results for holes 90-9, 11, 12 and 13 are awaited.

On Behalf of the Board of Directors,
LYSANDER GOLD CORPORATION



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

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Stock Recommendations

Two stocks are being reviewed this month, a) because I have been following each of them for some time—and like the prospects for each—and b) because both stocks are relatively thin traders, and I don't like to see subscribers bidding stocks up at the expense of one another. As noted on the August 1 Hotline, the success of each of these companies will be dependent on the degree of exploration success they, and their joint-venture partners, encounter.

Lysander Gold is exploring what is known as an analog deposit, often better known as a "look-alike" project. In this case, Lysander has early results that have been similar to Continental Gold's Mt. Milligan deposit, now upwards of six million ounces of gold and 2 billion pounds of copper. The other exploration stock is Carlin Gold, a company exploring a large epithermal gold system in southeastern Oregon. One of their partners is BHP-Utah International; based on a mid-June announcement, another is Redfern. Both Carlin Gold and Lysander Gold merit the attention of investors seeking good bets on gold exploration.

Lysander Gold/LYS.V

Shares Outstanding: 4,022,296
Fully Diluted: 4,422,296
52-Week High/Low: C\$1.05/C\$0.09
Current (8/1*) Price: C\$0.83/C\$0.85

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Lysander Gold is an exploration company with an interest in a gold-copper property that has yielded positive early results that mirror those first obtained at Continental Gold's Mt. Milligan deposit. Should the current exploration season continue to yield results suggestive of a large tonnage gold-copper deposit, the shares of Lysander should be subject to revaluation.

Lysander holds an option to earn a 100% interest in the BET claim and a 47% interest (BP Resources Canada is the operator and holds the remaining 53%) in the surrounding CAT claims, on Cat Mountain, 60 miles north of Continental Gold's Mt. Milligan deposit. Both projects are located within the Omineca Mining District, which hosts numerous large tonnage, low-grade gold-copper deposits. In search of a "look-alike" deposit, in 1989 Lysander conducted an extensive soil sampling program that revealed a gold-copper anomaly bearing a striking resemblance to the results previously achieved at Mt. Milligan. (Not incidentally, the same technical team that was involved in the early stages of discovery at Mt. Milligan have since been working on behalf of Lysander.)

Following up on the geochemical sampling program, Lysander obtained favorable results from a trenching program last year, followed by positive results from a 2,000 foot diamond drilling program, reported in January of this year. Lysander's best hole contained 117 feet of 0.18% copper and 0.042 oz. gold/ton.

Results of this type pale in comparison to the high grades of gold emanating from various Stikine Arch exploration plays, but they are consistent with the large tonnage, low-grade exploration model developed within British Columbia's Quesnel Trough.

The 1990 program consists of a 16-hole phase I program, the first four holes of which were released on July 30th. Hole 90-1, the best hole, reported a 321 foot intersection averaging 0.12% copper and 0.035 oz. gold/ton. Additional results will be forthcoming over the next few months. The current program represents an expenditure of \$1.2 million, and partner BP is the project's operator. Teck Corporation, after exercising warrants to purchase an additional 200,000 common shares at C\$0.75 each, now holds 600,000 shares of Lysander (13.1%).

Conclusion: Lysander has demonstrated early promise of continuing to develop a large tonnage gold-copper deposit. The presence of Teck and BP lend credibility to the project, as does the involvement of Mark Rebagliati and other technical people who worked on Mt. Milligan in its early days. These factors combine to assure that Lysander will be closely watched by the geological community; in my view, investors would be wise to follow their lead.