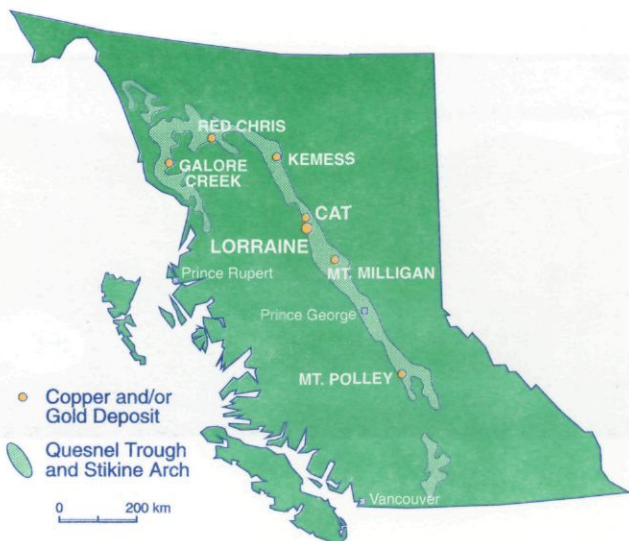


LORRAINE and BOOT-STEELE COPPER-GOLD PROPERTIES

British Columbia

Introduction

The Lorraine deposit has been the object of several programs of surface exploration for copper and gold, dating back as far as 1931. The combined properties can be shown, on the basis of various drilling projects and other work, to have the potential to host a significant resource of material amenable to open-pit or possibly bulk underground mining and having a copper content - along with by-product gold - sufficiently high to make it of economic interest. Lysander plans an aggressive exploration program, consisting largely of diamond drilling, to confirm the presently inferred resources, to outline these resources in more detail, and to extend the mineralized zones substantially beyond the present drilling limits.



Location and Ownership

The Lorraine and Boot-Steele Properties cover an area of 2,448 hectares in size and are located 250 kilometres northwest of Mackenzie, British Columbia. The properties are accessible by road.

A 100% undivided interest in the Lorraine Property is to be acquired from Kennecott Canada Inc. ("Kennecott") through a June, 1994 option to purchase agreement.

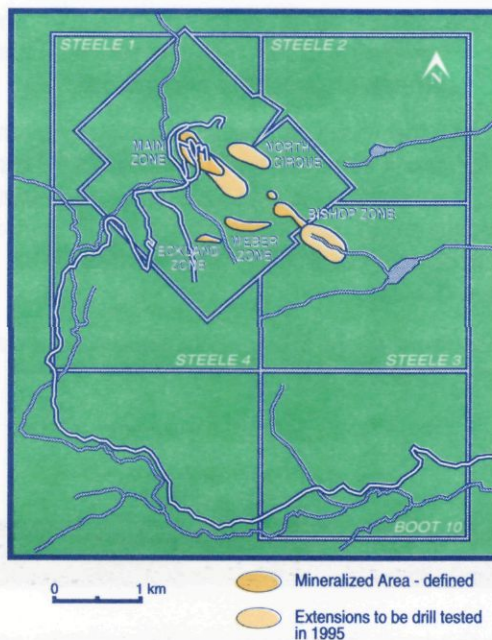
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In order to exercise this back-in right, Kennecott must pay 150% of 60% of the total property related expenditures incurred by Lysander. If reserves are less than 150 million tonnes, or Kennecott elects not to exercise the back-in right, Lysander can purchase such back-in rights by issuing a further 100,000 shares to Kennecott.

The adjacent surrounding Boot-Steele Property was optioned from two prospectors. Lysander took an option to acquire 100% undivided interest subject to a 2% NSR. Lysander has the right to purchase half of the NSR by making a payment of \$1,000,000.

Geology

The Lorraine and Boot-Steele properties are located within the Hogan Batholith, a late Triassic to Middle Jurassic multiphase intrusion of calc-alkaline to alkaline composition. This batholith is intruded by early Cretaceous granitic bodies and intrudes the Takla Group to the east. The Takla Group is composed mainly of volcanic rocks and forms the northern part of the Quesnel Trough. Several gold and alkalic copper-gold porphyry deposits are hosted in the rocks of the Quesnel Trough, such as Copper Mountain and Afton.



Five zones of copper and gold mineralization have been located on the Lorraine Property including the Main Zone, the Bishop (Extension) Zone, the Eckland Zone, the Weber Zone and the North Cirque Zone. The Main Zone has been divided into two separate zones, the Upper Main Zone and the Lower Main Zone.

a distance of over 7 km. starting from the southern flank of the anticline across the nose to the northern limb. The host to gold mineralization is a graphitic phyllite attributed to the Batatal formation. The mineralization occurs as a "bedded vein" composed of boudinaged tourmalinite, milky quartz and dolomite. It lies concordantly between the clastic sediments of the underlying Moeda formation composed of conglomerates, quartzites and quartz-sericite schists and the chemical sediments of the overlying Caue formation composed of itabirites and dolomitic itabirites.

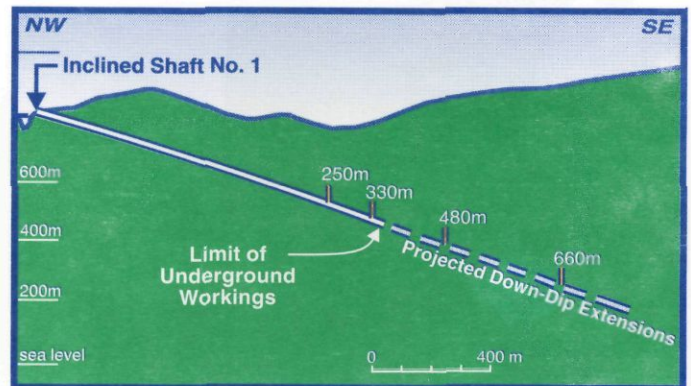
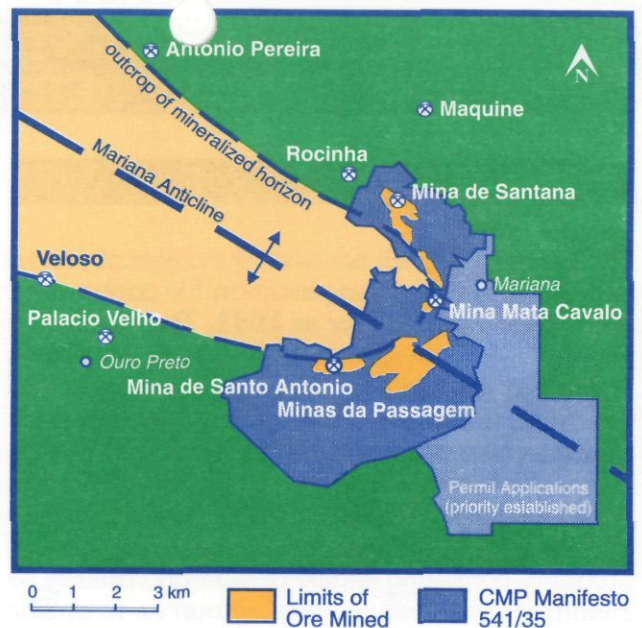
The ore consists of mineralized quartz lenses and veins and tourmalinite lenses set in sulphide rich (arsenopyrite, pyrite, pyrrhotite, and chalcopyrite) dolomitic and quartzose rocks.

Potential Reserves

From an analysis of historic gold production, for the period 1884 to 1925 when approximately 65 percent of the production was mined, the average recovered grade was 10.17 gms Au/tonne. Using a recovery of 89 percent, the average mill feed was 11.43 gms Au/tonne. This is probably the minimum average in-situ grade for the period in question. In addition, in a report by P. Bartholomew of January 1979, old records indicate that during the period September, 1924 - December, 1926, diluted stope production grade from 23 stopes in the seven known ore shoots average 11.03 gms Au/tonne. This is a reliable estimate of potential ore grades.

Total gold production at the several workings in the property area is estimated at between 40-60 tonnes (1.3 - 2.0 million ounces). The potential reserves at the main mine as well as at the other workings on the property could very well exceed 2 million ounces.

The Passagem Gold Mine is considered a world class gold deposit.



CATA PRETA and CARRANCAS GOLD PROPERTIES Brazil

During the year the Company entered into agreements with Mineracao Jenipapo (S/A) ("MJ"), a subsidiary of Western Mining Corporation Holdings Limited, to option 100% interests respectively in the Cata Preta and Carrancas gold properties. At the time of writing progress is halted due to a dispute

between MJ, the lessor of the properties and Mineracao Serra da Canastra, the property owner.

The properties are located in the Quadrilatero Ferrifero in Minas Gerais where the largest known gold producing mines in Brazil are located.

Previous Exploration

The first claims on Lorraine Mountain were made by prospectors in 1931. Consolidated Mining and Smelting Company Limited acquired the property 1943 but allowed the claims to lapse in 1947. Later in 1947, a predecessor to Kennecott staked the property. By 1949 they had mapped the surface of the Main Zone and completed five diamond drill holes. In 1961, the property was enlarged and geochemical and geophysical surveys were completed along with two diamond drill holes. Granby Mining Corporation then optioned the property from 1970 to 1973. They also enlarged the property and conducted soil and rock sampling, trenching, mapping, 3,992 meters of diamond drilling and 2,470 meters of percussion drilling on the Main Zone. Further work and more drilling was completed in 1990 and 1993 by Kennecott after the property had been dormant for fifteen years by Kennecott. This work discovered the Bishop Zone. Lysander, in 1994, drilled a total of 1,221.4 meters in ten holes. Seven holes were drilled on Bishop Zone and three holes in the western part of Upper Zone.

Only limited exploration has been carried out on the Eckland, Weber and Northern Cirque Zones where good assays have been observed.

Potential

The diamond drilling to date has shown that there are indeed zones of high-grade copper mineralization with elevated gold and silver values in several areas at Lorraine. The most important zone discovered to date, the Upper Zone, appears to be a south-westerly dipping sheet essentially forming a dip-

slope "scab" lying along the south side of the ridge extending westward from Lorraine Mountain. If such were to be the case, it would imply a very favourable stripping ratio for open pit mining. Early holes, drilled by Kennco in 1949, were put down from the base of the ridge from south and north and passed below this sheet; later holes by Granby and Lysander were collared within the dipping sheet and encountered variable lengths of good grade copper mineralization.

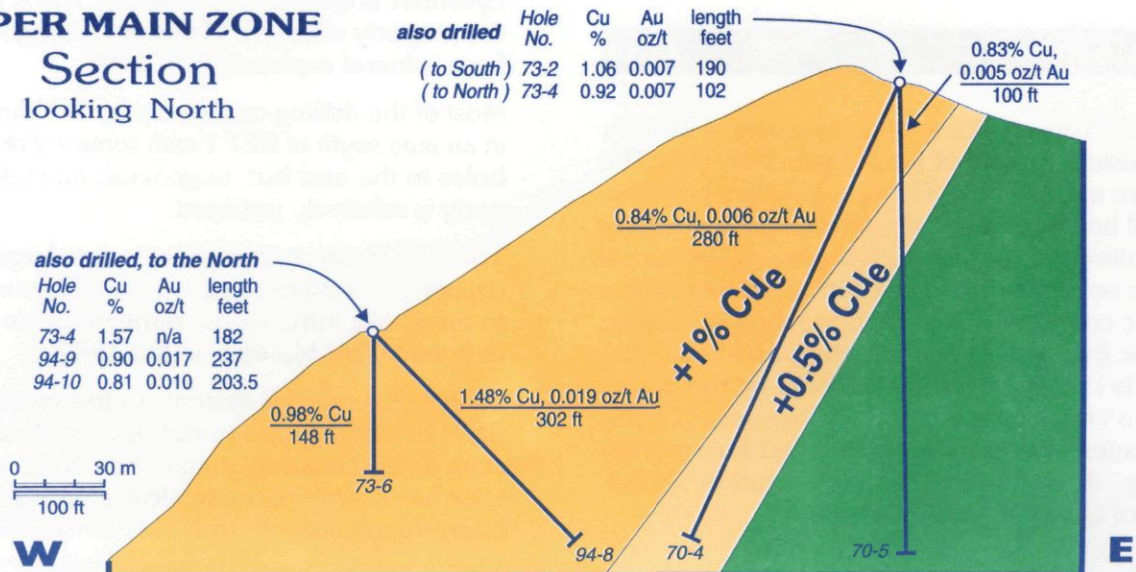
Potential resources for the Main Zone were calculated by Kennecott at 4.5 million tonnes of 0.75% copper and 0.34 grams of gold per ton in the Upper Main Zone and 5.5 million tonnes of 0.60% copper and 0.10 grams of gold per ton in the Lower Main Zone. 3 holes were drilled by Lysander in October, 1994 in the Upper Main Zone. Assays were over 3 meter sections and values from 0.52% to 2.4% copper and from 0.005 to 0.067 ounces of gold per ton. The Upper Main Zone is open to the north and to the south and significant additions to the higher grade reserves are anticipated from an aggressive drill program in 1995.

The Bishop Zone and the Extension Zone have also been drilled. The Bishop Zone returned an average of 0.76% copper with 0.012 ounces of gold per ton over six holes while the Extension Zone returned an average of 0.72% copper with 0.006 ounces of gold per ton over three drill holes. Rock chip sampling was taken from the Weber Zone which returned an average of 1.74% copper with 0.017 ounces of gold per ton.

The Bishop Zone appears to continue southwards onto the Boot-Steele ground.

A program including airborne geophysics (EM and magnetics) and ground reconnaissance was carried

UPPER MAIN ZONE Section looking North



out by BP Minerals in 1991 and a major program of follow-up exploration was recommended for 1992. However, BP (Talisman Energy) withdrew from mineral exploration in 1992. Of note were massive bornite samples collected by BP that assayed in

excess of 10% copper, 0.50 ounces per ton gold, 10 ounces of silver, and 2 grams of platinum group metals. Drilling to test the extensions of the Bishop Zone and the area of massive mineralization is proposed for 1995.

CAT GOLD-COPPER PROPERTY

British Columbia

Location and Ownership

The CAT Property is located near Usilika Lake in the Omineca Mining Division, ten miles north of the Lorraine Property. Access from Vancouver is by highway to Prince George. From Prince George, the route follows Highway 97 to Windy Point. At Windy Point, a logging road provides access to the CAT Property.

In November, 1992, the Company acquired all of BP Resources Canada Limited ("BP") interest in the CAT Property claims for a total property area of 56 square kilometres. To date, BP and the Company have spent approximately \$1.2 million on the CAT Property.

The recent major discoveries in this portion of the Quesnel Trough have been the Mount Milligan (Placer Dome) and the Kemess (El Condor) Properties which have established significant reserves of copper and gold.

Geology

The CAT Property lies within the Quesnel Trough at the eastern margin of the Hogem Batholith. The rocks are mainly Takla Group volcanics intruded by small bodies of a variety of porphyritic syenites, monzonites and diorites that are essentially coeval with the volcanic rocks. The complex represents a volcanic centre with a high proportion of coarse, polyolithic fragmentals and latite tuffs and flows. The system is strongly represented both by magnetics and by a very large sulphide system some 3.5 km in diameter as expressed by Induced Polarization surveys. A number of major normal faults are typical of Quesnel Trough structures.

Large areas of anomalous gold and copper geochemistry derived from extensive soil surveys include a large area, strongly anomalous in gold, on and adjacent to the BET 1 claim.

Previous Exploration

The gold bearing quartz magnetite veins of the CAT Property was first identified in the 1940's. BP Minerals acquired the property during a major program of exploration for alkalic porphyry related, copper-gold properties within the Quesnel Trough in the mid 1970's and defined the main system by mapping and widespread geochemical and geophysical programs during the 70's and 80's.

Lysander acquired its first interest in 1989 and identified the Upper Copper Zone (BET Zone) on CAT Mountain containing significant gold occurrences by geochemical and geophysical exploration followed by trenching and diamond drilling. Lysander acquired an undivided 100% interest in the property when BP (Talisman Energy) withdrew from mineral exploration in 1992.

Most of the drilling carried out by BP Minerals was in an area south of BET 1 with some widely scattered holes to the east but, in general, most of the property is relatively untested.

The CAT Property comprises a very large sulphide copper-gold system some 3.5 km in diameter related to an alkalic intrusive-extreme volcanic centre as defined by BP Minerals in the 1980's.

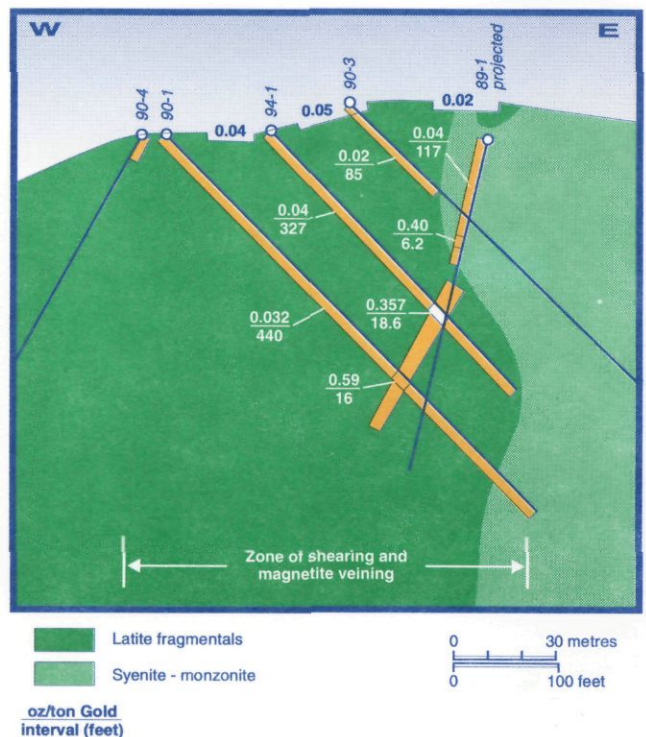
Within this overall system, in the vicinity of the BET 1 claim, at the summit of CAT Mountain is a zone of gold bearing, magnetite-quartz veins. This zone has a strong geochemical expression and has been intersected in trenches and a number of

diamond drill holes over an area of 100 metres by 100 metres to a depth of 100 metres. This zone, which is spatially related to the margins of an intrusive syenite porphyry body is faulted out to the south but is open to the north and in depths. A significant volume of material containing in the order of 0.04 ounces per ton gold and its extensions requires additional examination for a bulk gold deposit.

Also, within the gold bearing zone are higher grade planar zones which appear from drilling to be continuous. Values include 0.59 ounces per ton over 16 feet in diamond drill hole 90-1, 0.357 ounces per ton over 18.6 feet in hole 94-1 and 0.40 ounces per ton over 6.2 feet in hole 89-1.

Conclusion

Further work is required to define the grade and continuity of the CAT Gold Zone and its included planar, gold bearing quartz magnetite veins.



OP GOLD PROPERTY

Northwest Territories

The OP Property, a gold property in the Northwest Territories, is currently under option to Echo Bay Mines Ltd. ("Echo Bay"). The agreement grants Echo Bay the option to earn a 75% working interest in the OP Property by incurring a work commitment of \$1.5 million on or before March 31, 1999 and a payment of \$20,000 to Lysander. The OP Property covers an area of approximately 6,700 acres and is located near Contwoyto Lake, within site of Echo Bay's producing Lupin Mine. The Lupin Mine has been operating since 1982. In 1993, the Lupin Mine produced 217,500 ounces of gold.

On the OP 1 claim, there are four zones of iron formations including the Blue, West, Main and Valley Zones. Concentration has been on the Main Zone which consists of one large silicate iron formation sequence up to 30 metres wide, with several subsidiary silicate iron formation lenses. Sulphide

mineralization is also present on the surface including finely disseminated to semi-massive, banded pyrite and/or pyrrhotite with lesser arsenopyrite.

The property has been previously explored by Bow Valley Industries and the Company with total expenditures exceeding \$1 million. Significant drill results include 0.43 ounces of gold per ton over 10.3 feet, 0.36 ounces of gold per ton over 7.5 feet and 1.12 ounces of gold per ton over 3.1 feet.

During 1994, Echo Bay completed a ground geophysical program over the entire OP Property and defined a number of additional targets for diamond drilling.

In view of the present diamond play in the Northwest Territories, the Company has retained all the diamond rights to the OP Property.

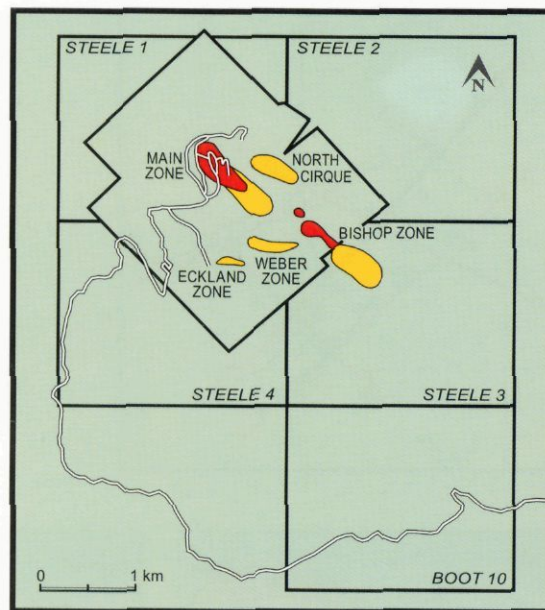
LORRAINE and BOOT-STEELE COPPER-GOLD PROPERTIES British Columbia

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● Mineralized Area - defined ● Extensions to be drill tested in 1996

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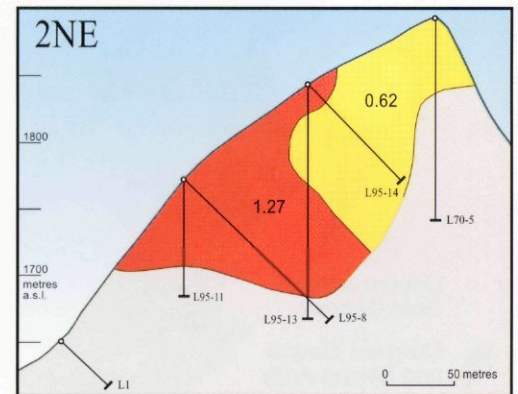
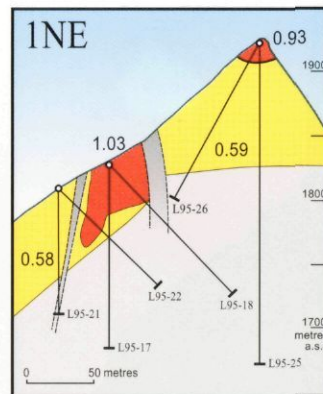
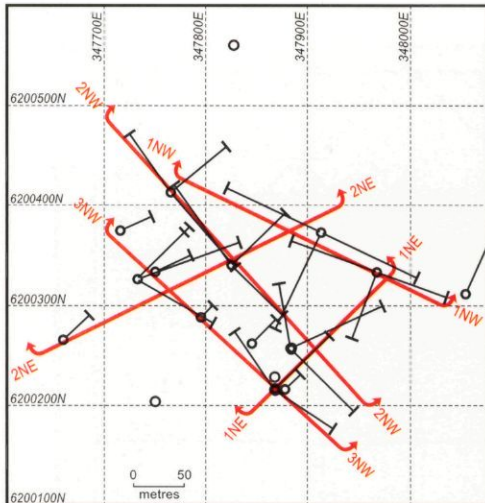
1995 Program

D.K. Mustard, who supervised the Program, has reported to the Board as follows:

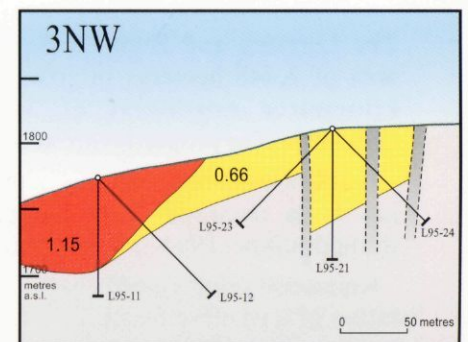
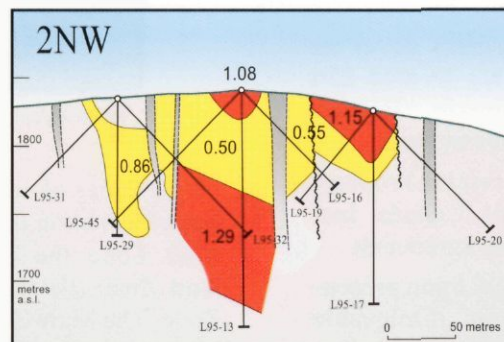
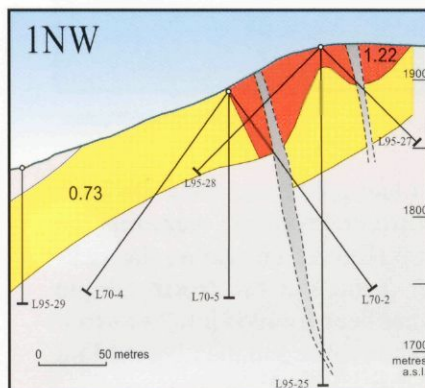
Exploration continued on the Lorraine and Boot-Steele properties located within the Duckling Creek area of the Hagem Batholith in north central British Columbia. The properties lie about 300 km northwest of Prince George.

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During 1994, three diamond drill holes (L94-8, 9 & 10) totalling 280.8 metres were drilled on the southwest face of Lorraine Mountain to demonstrate the technical feasibility of drilling on the Upper Main Zone. These three holes provided very encouraging results in both copper and gold content. For example, Hole L94-8 averaged 1.48% copper and 0.65 g/t gold over its total length of 92 metres.



Cu equivalent (%) cut-off
■ > 0.9
■ 0.5 - 0.9



The above sections are not meant to indicate reserves but only to illustrate a geometry of the mineralized rocks for planning purposes.

During 1995 exploration was concentrated on the Upper Main Zone. Seven drill platforms were rock bolted to the steep face of the mountain and a total of 2762 metres of diamond drill core were drilled in 23 holes. The program was helicopter supported.

The Lorraine mineralization has unique features because, although the age and character of the rocks are related to the other alkalic copper-gold porphyries of British Columbia, it is emplaced at a deeper batholithic level and this is more complex in its origin. All the controls on emplacement have not yet been defined, but by considering the distribution of mineralized drill intersections the picture is becoming clearer. Certainly there are discrete blocks of material that can be outlined by drilling that appear to meet our economic goals.

In 1996 a new generation of porphyries are being prepared for production in British Columbia. These include Kemess, Huckleberry, Red Chris and Mount Polley. However, these new developments must meet a more stringent set of economic parameters compared to those brought into production in the 1960's and 1970's. These have been discussed in a recent paper by H.K. Taylor, P.Eng. in the new "Canadian Institute of Mining, Metallurgy and Petroleum Porphyry Copper", Special Volume 46, 1995.

In this he states "At present costs and prices, a large new project needs either 0.8-1.0% copper at the mill head for at least the first five years output; or a recoverable and payable equivalent in copper and gold".

It is for this reason that Lysander exploration at Lorraine has concentrated on identifying an initial tonnage of 25-30 million tonnes of material grading in the range of 1.0% copper equivalent.

To date, the program is well on its way to demonstrating that such a resource could be available from a number of discrete surface deposits.

Sufficient work has been done on the Upper Main Zone to indicate that some millions of tonnes of material exist which meet the economic parameters with low stripping ratio and recoverable metals.

Other zones that appear to have significant potential, but remain largely untested, include the Bishop Zone where preliminary drilling indicates the higher grade material is available, the Eckland Zone which has not been drill tested but where surface values in gold and copper are encouraging, the North Cirque Zone, the Weber Zone and the BM Breccias on the Boot-Steele lands. It is anticipated the other zones both on and adjacent to the Lysander properties will become available.

An additional resource of importance is the large talus apron derived from the Upper Main Zone which is believed to contain several million tonnes of broken mineralized rock. Seven large bulk panel samples each of about 1000 lbs gave a uniform average grade of about 0.5% Cu and 0.25 g/t Au. The copper in the talus is mainly in oxide form and appears to be amenable to leaching with low acid consumption.

A significant development that will impact on the economics of Lorraine is the commitment by Royal Oak to bring to production the Kemess deposit which lies 100 km north of Lorraine. The proposed new power line route will pass within 15 km of Lorraine and upgrade of road access is anticipated.

The presence of a significant proportion of bornite, a high copper content mineral, suggests a high grade copper concentrate with significant gold credit could be available from Lorraine.

Overall the outlook for Lorraine is promising. Additional exploration is strongly warranted and the minimum requirements for a viable mining operation appear to be available. We are pleased with progress to date.



CAT GOLD-COPPER PROPERTY

British Columbia

The CAT Property is located near Usilika Lake in the Omineca Mining Division, ten miles north of the Lorraine Property. Access from Vancouver is by highway to Prince George. From Prince George, the route follows Highway 97 to Windy Point. At Windy Point, a logging road provides access to the CAT Property.

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Within this overall system, in the vicinity of the BET 1 claim, at the summit of CAT Mountain is a zone of gold bearing, magnetite-quartz veins. This zone has a strong geochemical expression and has been intersected in trenches and a number of diamond drill holes over an area of 100 metres by 100 metres to a depth of 100 metres. This zone, which is spatially related to the margins of an intrusive syenite porphyry body is faulted out to the south but is open to the north and in depths. A significant volume of material containing in the order of 0.04 ounces per ton gold and its extensions requires additional examination for a bulk gold deposit.

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1995 Drill Program

A small program of drilling was carried out on the CAT Property to keep the property in good standing. Three holes were drilled on the BET 1. The drill utilized was the same used in drilling the Lorraine but was too light to achieve target depth in very broken ground.