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Lorraine

OVERVIEW OF LYSANDER GOLD CORPORATION'S JAJAY COPPER-GOLD PROJECT, DUCKLING CREEK AREA, BRITISH COLUMBIA, CANADA

by

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Overview of Lysander Gold Corporation's Jajay Copper-Gold Project, Duckling Creek Area, British Columbia, Canada

1.0 SUMMARY

Over the last several years Lysander Gold Corporation has assembled, by option and staking, a very large property position in the Duckling Creek area of northern British Columbia. The property has a long history of exploration, and contains two zones of copper-gold-silver mineralization on which drilling is extensive enough that resources have been estimated. The potential for delineation of additional zones is excellent.

The Jajay property covers an area of about 250 square kilometres. Of this, almost 80 percent is covered by claims wholly owned by Lysander. The remainder is contained within four properties held under the terms of separate option agreements. The terms of the agreements are not onerous, but two do have "back-in rights" for a major company should the ultimate tonnages of material defined exceed certain thresholds. Most of the claims making up the property are good for several years, so there are few immediate assessment work concerns.

The property is favourably located, with major roads and a powerline close to the property. Total haulage distance for concentrates to railhead would be about 70 kilometres. There are no obvious environmental or special land status impediments to mining in the area of the property. There has been no mining activity on the claims, so there are no environmental liabilities from previous work except for a small amount of exploration related disturbance which might require cleanup.

The property covers a portion of a multi-phase Mesozoic-age batholith, which has numerous known occurrences of copper and precious metals mineralization. It appears that a large percentage of the most favourable intrusive unit is contained on the property, along with a majority of the known mineral showings. The rocks containing the most important mineralization are various units of the so-called "Duckling Creek Syenitic Complex"; mineralization in these rocks tends to be disseminated chalcopyrite and bornite, with appreciable gold and silver contents and very little attendant pyrite.

The principal mineralized zones known to date are contained within one of the optioned properties, which has a long exploration history. Preliminary estimates, based on extensive diamond drilling, suggest the presence of almost 30 million mineable tonnes, in two zones, grading about 0.66 percent copper with appreciable precious metal credits, at a 0.25 percent copper cutoff. The potential to increase the tonnage of material in these zones is excellent, and there are numerous other quality targets elsewhere on the overall property.

2.0 LOCATION, ACCESS, TERRAIN, CLIMATE AND INFRASTRUCTURE

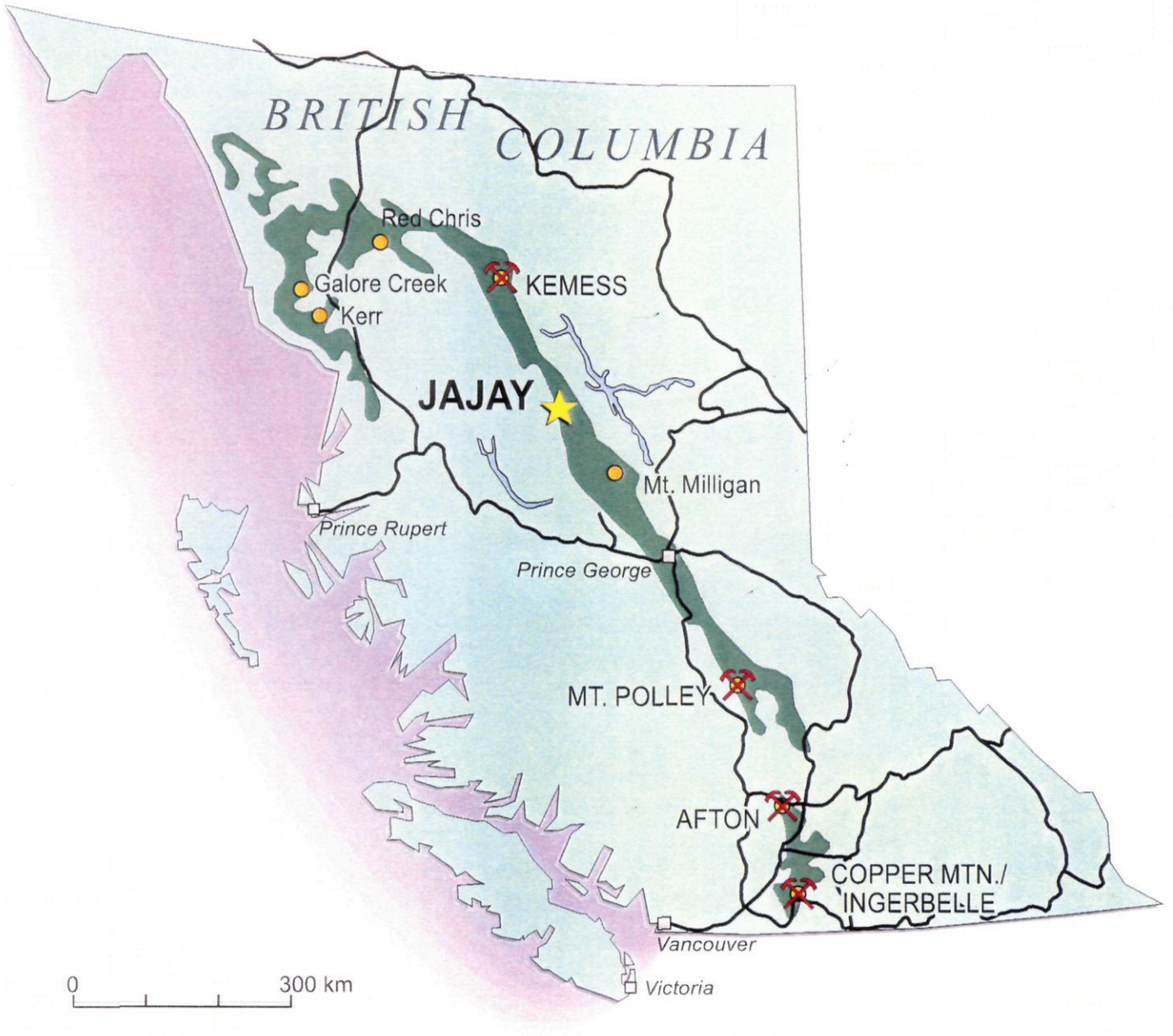
The Jajay project is centered at about 55° 56' north latitude, 125° 26' west longitude, on NTS map-sheet 93N/14W (see Figures 1 and 2). Access is via all-weather roads from Fort St. James (195 kilometres) or from Highway 97 near Mackenzie (175 kilometres). At a point along the Omineca Mining Road 41 kilometres northwest of Germansen Landing, a road suitable for four-wheel-drive vehicles continues 32 kilometres west-northwest to Duckling Creek, and thence up this valley. The most convenient access at present is by helicopter.

The property lies in moderately rugged terrain with steep slopes rising from major stream valleys. On-property relief is about 900 metres; elevations range from about 1,100 metres ASL in the Duckling Creek valley to just over 2,000 metres at the highest point on the claims. Forest cover is extensive up to about 1,650 metres elevation, and is succeeded above by alpine meadows and rocky slopes and cliffs. The climate is typical of the north-central mountain regions of British Columbia, with short warm summers and long cold winters with moderate snowfall. Snow may persist at higher elevations well into June.

The small settlements of Germansen Landing and Manson Creek - about 20 kilometres further to the southeast - have rudimentary services such as fuel, telephones, post offices and some supplies. Most supplies must be trucked via Fort St. James or Mackenzie. There is a small airstrip, suitable for light aircraft, at Germansen Landing; float-equipped craft can land on the Omineca River. Prince George and Smithers are the closest major airports. The "Omineca Resource Access Road", presently used to haul concentrates from the Kemess mine to the north, passes about 10 kilometres northeast of the property, as does the British Columbia Hydro powerline to Kemess. A branch of this road along the east side of the Jajay property extends eastward to Germansen Landing and thence south to Fort St. James and Prince George. A newly constructed logging haulage road extends from near the south edge of the property for about 50 kilometres westward to the British Columbia Railway at Takla Landing. An additional 15 to 20 kilometres of road would be required for haulage from the principal known areas of interest on the property.

3.0 PROPERTY STATUS

The Jajay property (see Figure 3) consists of four separate properties held under option, and a large number of connecting and peripheral claims controlled 100 percent by Lysander. In total, 106 separate titles are involved, for a total of 1,039 claim units or approximately 25,000 hectares (almost 62,000 acres or 250 square kilometres). Precise details of the terms of the various agreements covering the optioned properties may be obtained from Lysander; summaries of the arrangements are contained in the Company's most recent Annual Report. Most of the claims in the Jajay property are in good standing until dates in 2000 or beyond, but three claims totalling 44 units and located at the northern edge of the property would expire in early June 1999 if no work were done by that time. Appendix I contains a listing of claims, due dates, etc.



Cu-Au "porphyry" mines

Important Cu-Au deposits

Nicola and Stikine volcanic assemblages (Quesnel and Stikine Terranes)

Highway

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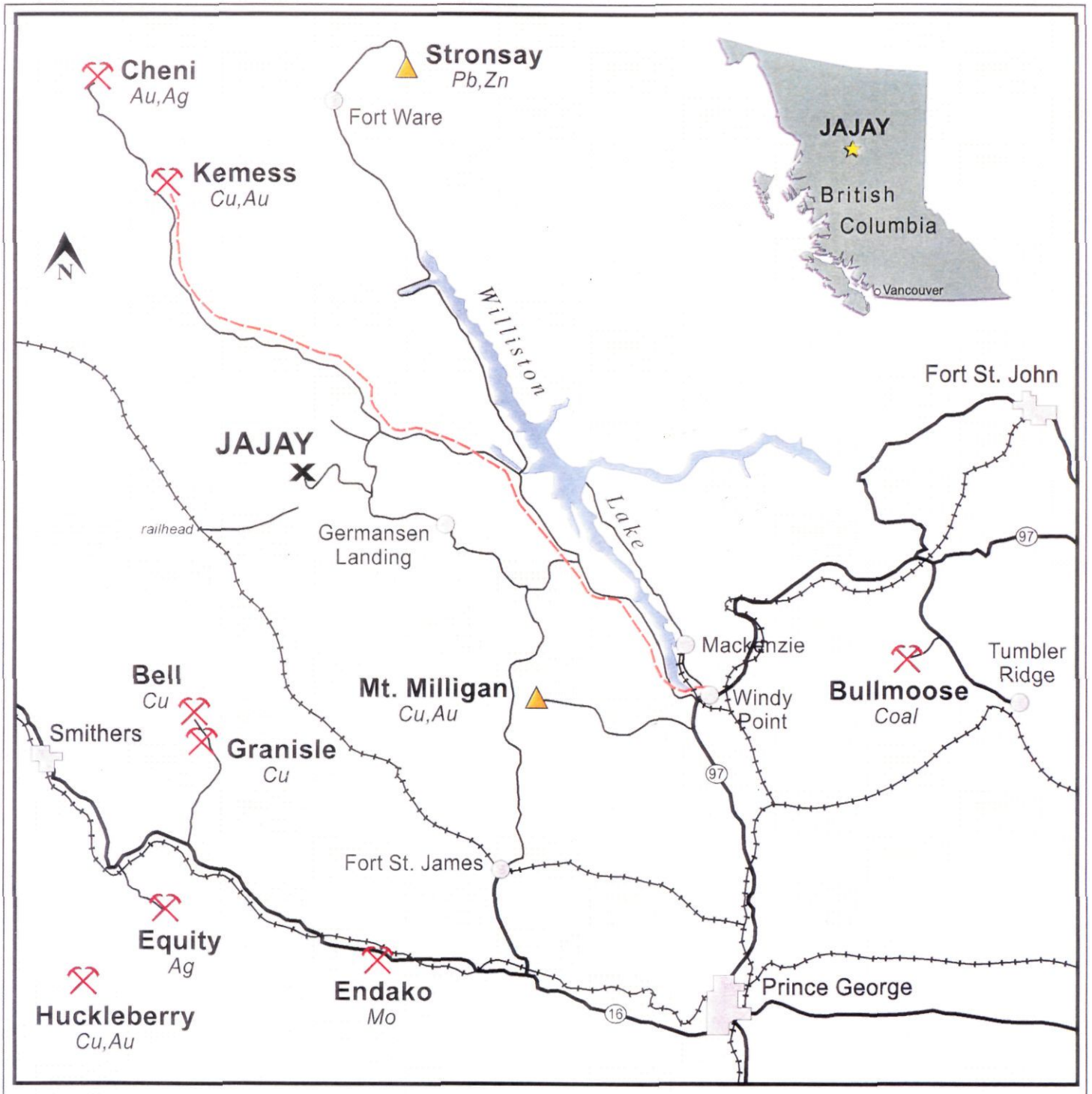
JAJAY PROJECT

Location

Figure: **1**



0 20 40 60 80 100 km

Highway
Secondary road
Railway
B.C. Hydro powerline
Operating or depleted mines
Mine development project

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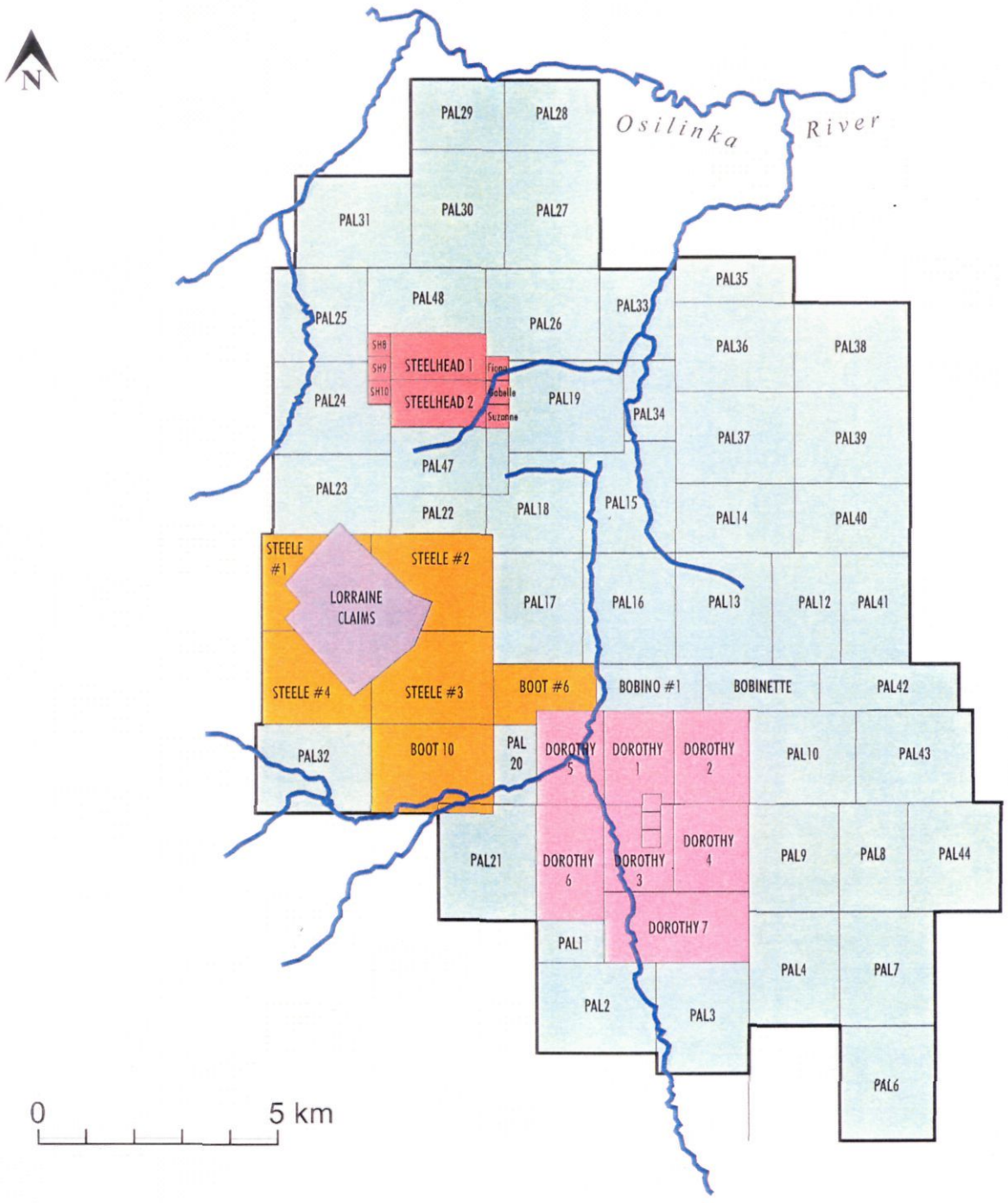
Infrastructure

Figure: **2**



Lorraine Claims (Lysander/Kennecott)

Boot-Steele Option (Lysander)

Steelhead Option (Lysander)

Dorothy Option (Lysander/Kennecott)

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Land Map

Figure: **3**

4.0 HISTORY OF LOCAL MINING

There is no record of metal mining in the immediate area of the Jajay project. There is a long history of placer gold production from the Germansen and Manson rivers, near the settlement of Manson Creek; some small production continues to the present day. Placer mining was also active in the Vital Range and surrounding area, some 30 kilometres southwest of the property, across the Omineca River, but there is no record of placer gold production from Duckling Creek or its tributaries. Mercury was produced for a short time during the Second World War at the Bralorne Takla mine, along the Pinchi fault system on the east flank of the Vital Range.

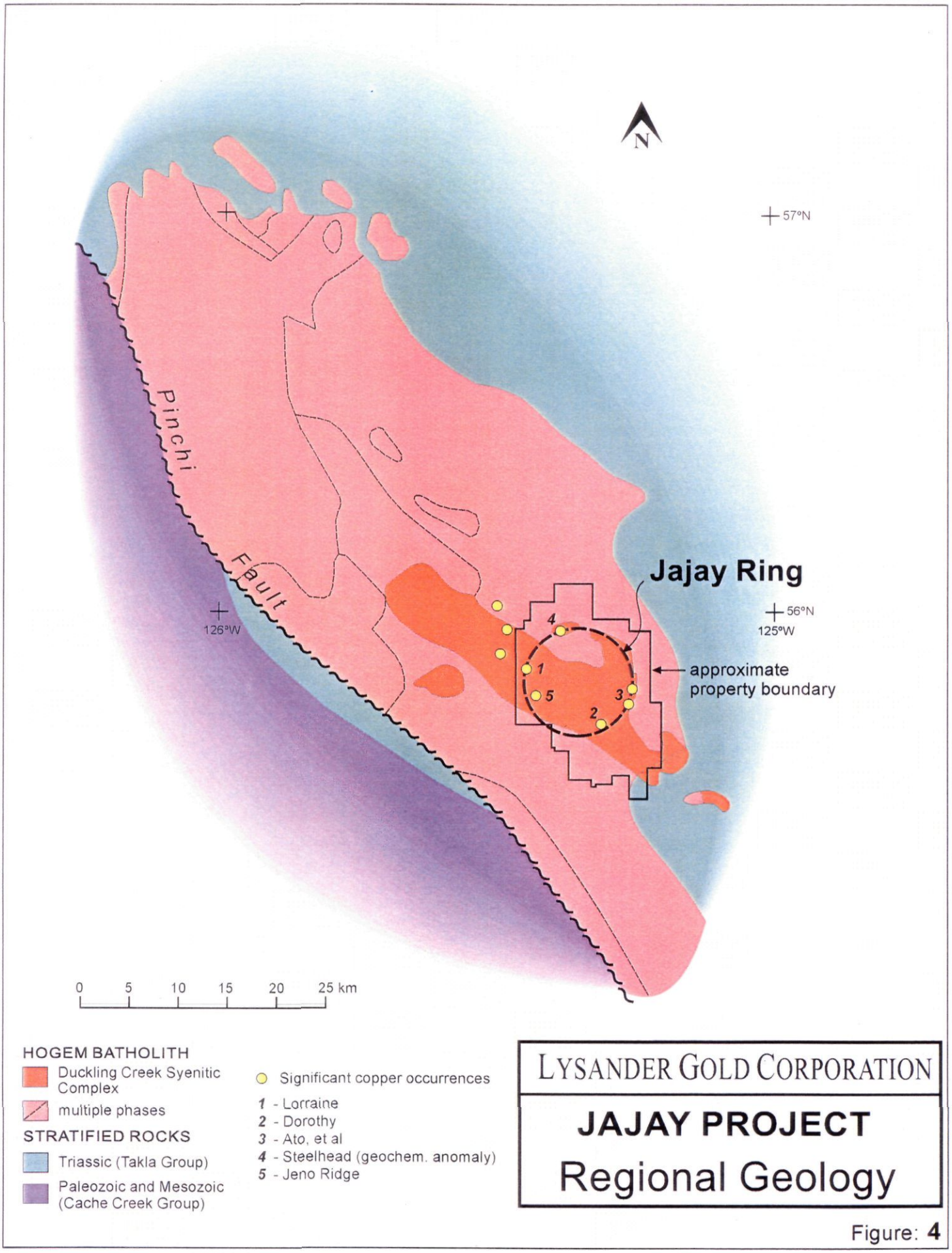
On a more regional scale, the recently commissioned Kemess copper-gold mine lies about 140 kilometres to the north-northwest (see Figure 2). The former producing Granisle and Bell copper porphyry mines lie about 120 miles to the south-southwest.

5.0 REGIONAL GEOLOGY

The Jajay property is contained almost entirely within the Hogem Batholith, a Late Triassic to Middle Jurassic multiphase intrusion of calc-alkaline to alkaline composition, intruded by Early Cretaceous granitic bodies (see Figure 4). Constituent plutons are elongate in a northwesterly direction, suggesting long-lived structural control of plutonism. The batholith intrudes volcanic and sedimentary rocks of the Triassic Takla Group to the northeast and is bounded to the southwest by the regionally extensive Pinchi Fault. Across this major structure to the southwest is a narrow selvage of Takla Group rocks succeeded by Paleozoic and Mesozoic stratified rocks of the Cache Creek Group.

The most important part of the Hogem Batholith, from the point of view of copper and gold mineralization, is the Duckling Creek Syenitic Complex. This is a distinctly alkaline unit, as opposed to the generally sub-alkaline or calc-alkaline rocks elsewhere in the batholith. There is some uncertainty as to the precise age of the complex; most data available suggest a Middle Jurassic timing for emplacement of these rocks.

There appears to have been a complex history of intrusion, metasomatism and mineralization within the Duckling Creek Syenitic Complex. Some workers hold that at least a portion of the complex, including many of the unusual rocks in the Lorraine property area, are the product of a complex metasomatic event, perhaps related to a large alkaline intrusive body at depth. This concept, while by no means proven, is supported by an observed magnetic anomaly some 10 kilometres in diameter, centered on the Jajay property. This gross magnetic feature is known by Lysander as the "Jajay Ring" (see Figure 5); it is perhaps not wholly coincidental that many of the more important copper and precious metal occurrences in the complex are located on or near the trace of the ring. However, some important copper-gold occurrences lie to the northwest, outside the ring, and the concept of a controlling circular structure is at present a topic of some debate.



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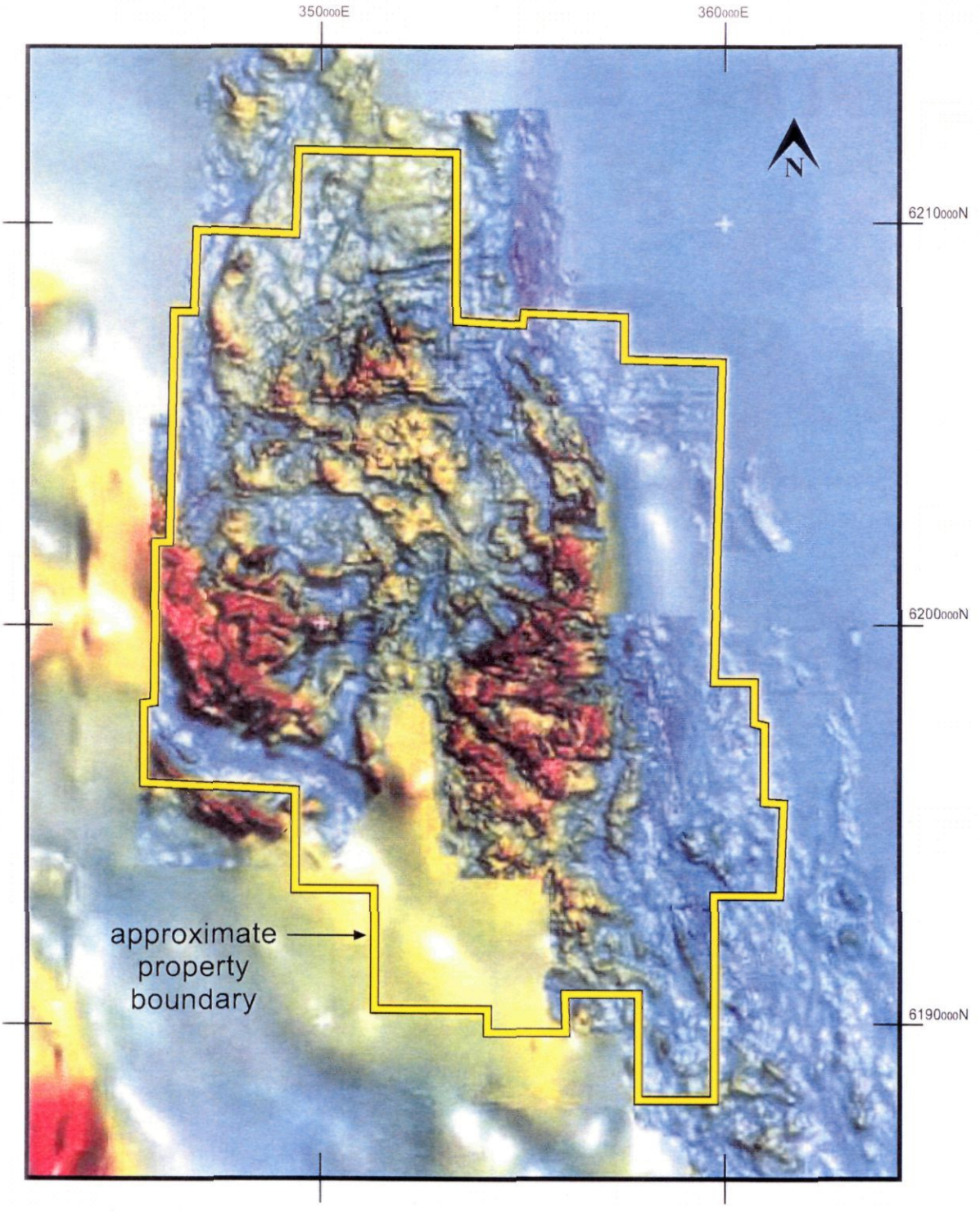
Regional Geology

Figure: **4**



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Airborne Magnetics

Figure: **5**

6.0 PROPERTY GEOLOGY

The following very brief summary description of the geology of the Jajay property is derived from the work of numerous geologists, and is by no means comprehensive. Notwithstanding the long exploration history of the property, much work remains to be done. In particular, the results of the numerous earlier programs have not been completely compiled; Lysander's efforts to date have been more focussed on property acquisition and regional geochemical and geophysical work, and on detailed work in the form of diamond drilling on the Lorraine property.

The Jajay property is underlain largely by the central portion of the Duckling Creek Syenitic Complex, flanked on both the southwest and northeast sides by less alkaline rocks of mostly granodioritic composition. In a few areas there are lesser amounts of Takla Group volcanic and sedimentary strata, in large part showing the effects of contact metamorphism. The rocks within the Duckling Creek Syenitic Complex, especially as described in detail on the Lorraine property, include a broad suite ranging from syenite to pyroxenite. Significant areas of potash metasomatism are found within various of these rock types. The precise processes responsible for the formation of these rocks are not well understood.

Many of the units within the complex on the Lorraine property have been described as migmatites. Foliations in these rocks appear to strike nearly parallel to the northeast margin of the complex, which near Lorraine trends almost east-west. Dips are variable, mostly steep to moderate southerly. The origin of the foliation in the migmatites is not well understood. Faults are common at Lorraine; at least five distinct sets have been mapped, all younger than late dykes, which may themselves have been intruded along older faults. Late dykes have various compositions, in some cases dykes with granite cores have syenitic margins.

There is some question as to the position of the northeastern edge of the Duckling Creek Syenitic Complex. Most recent work appears to place this edge to the northeast of the Lorraine portion of the property, in contrast with earlier work which had been much more restrictive. This has considerably broadened the range of rock types within the complex as presently defined.

The rocks of the complex are indeed enigmatic. They appear to exhibit a direct correlation with the distribution of many of the more important copper - gold occurrences. Other rock types on the Jajay property are less unusual, but still have potential for significant mineralization.

Note that there is no map included in this summary report to show the property-scale geology. This is because there are numerous conflicting maps at widely differing scales and of variable reliability, covering isolated portions of the present property. Detailed compilation, along with carefully laid out field traverses, will be necessary before a meaningful overall property geology map can be produced.

7.0 MINERAL OCCURRENCES

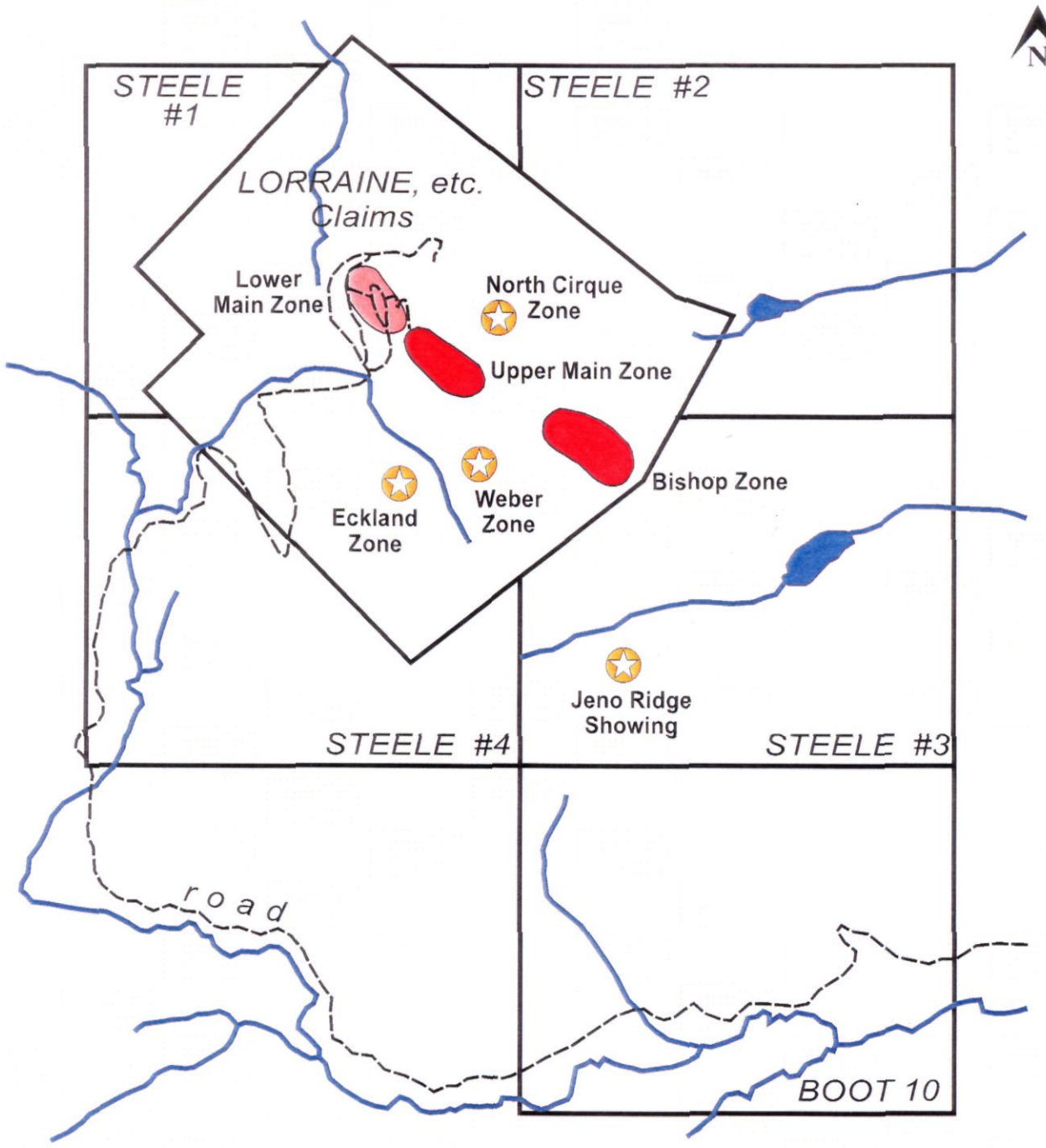
There are a large number of mineral occurrences, dominantly of copper with varying amounts of gold and silver, known to date on the Jajay property. Of these, by far the most important known to date are on the Lorraine claims. Other occurrences, of varying types, have been explored to a greater or lesser degree elsewhere on the property (see Figures 4 and 6).

At Lorraine, the greatest concentrations of copper minerals, dominantly chalcopyrite and bornite with rare chalcocite, digenite (or neodigenite) and covellite, occur as disseminations in syenitic rocks, or locally in biotite pyroxenite. Fracture or vein controlled sulphide mineralization is much less common. Pyrite is uncommon and erratically distributed; the overall content is probably less than one percent. This is a positive feature in the sense that acid rock drainage would be minimal. On the other hand, the overall low sulphide content means that induced polarization is problematical as an exploration tool. The gold content of copper mineralization at Lorraine varies from zone to zone; the range appears to be between about 0.10 and 0.34 gram per tonne at the one percent copper level. Silver is relatively constant from zone to zone, at about 7.0 grams per percent of copper. Neither free gold nor discrete silver minerals have been observed in numerous polished sections studied; probably the bulk of the precious metals is contained within copper minerals and thus would report to a copper concentrate, implying relatively high precious metal recoveries. Two zones of this style of mineralization, the Upper Main and Bishop, have been drilled in some detail and partially delineated. A third zone, the Lower Main, has been the target of some earlier diamond and percussion drilling; similar mineralization is reported but the zone is not yet fully defined.

Other copper-gold-silver occurrences on the Jajay property are of varied types. Several zones of mineralization similar to that found at Upper Main and Bishop have been mapped on the Lorraine claims, and drilled in a preliminary fashion. No comparable zones have been indicated by this work, but exploration in these areas is by no means exhaustive.

On Jeno ridge, south of the Lorraine claims, a breccia with abundant bornite and chalcocite has been observed as talus blocks from an occurrence in an inaccessible location on a cliff face. Anomalous platinum group element (PGE) analyses have been reported from this mineralization. The showing is of unknown size and orientation; one diamond drill hole failed to intersect the mineralization.

Elsewhere, there are numerous showings of copper-gold mineralization, locally with some molybdenum, lead or zinc. Many of these occurrences are pyritic, in more quartz rich intrusive rocks, but some seem to have similarities to the Lorraine mineralization. The showings range from scattered areas of malachite-stained intrusive float to more substantial areas of disseminated and fracture controlled mineralization which have received more intensive work, including drilling in several areas. Some holes, especially in the Dorothy and Ato areas, have cut significant copper intersections with some precious metals credits, but to date no coherent zones have been outlined.



Well defined zone

Poorly defined zone

Inferred zone

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Mineralized Zones

- Lorraine Area -

Figure: **6**

8.0 PROJECT HISTORY

The history of the Jajay project is a long and complicated one. Most available historical information refers to the Lorraine area, where it has been said that copper staining was known to the local natives for many years and was shown to white prospectors during the First World War. The earliest reported work was in the early 1930's, when claims were acquired and the presence of a large body of mineralized rock became generally known. The Consolidated Mining and Smelting Company of Canada Ltd ('CM&S' - now Cominco Ltd.) acquired the property in 1943, took some surface samples, and allowed the claims to lapse in 1947. Later in 1947, the Lorraine claims were staked for Kennco Explorations, (Western) Limited (commonly known as "Kennco"), who in 1948 mapped and sampled what is now known as the Upper Main Zone. Kennco brought in a diamond drill by dog team during the winter, and in 1949, completed 965 metres of diamond drilling in five AX drill holes. Three of these holes explored the Upper Main Zone, but for the most part passed below the mineralization as it is now defined. Two other holes sought a westward extension of the deposit, but were unsuccessful. Among the points of historical interest is that the diamond drill used at Lorraine was in fact a relatively heavy machine which reportedly was moved about in pieces by packhorses. This explains why the holes were drilled at lower elevations and not on the outcropping portions of the Upper Main Zone.

From 1961 to 1963, Kennco did additional work in search of an extension or repetition of the Upper Main Zone. This work consisted of geochemical and rock sampling, magnetometer and induced polarization surveys, and 118 meters of diamond drilling in two AX holes in the valley to the west. This work was only part of a much more extensive regional program covering essentially all of the Hogem Batholith and surrounding region, which also resulted in the discovery and early exploration of mineralization on the nearby Dorothy claims.

Granby Mining Corporation optioned the Lorraine property in 1970 and undertook an exploration program that included mapping, soil and rock sampling, magnetometer surveys, trenching, 3,992 metres of diamond drilling and 2,470 metres of percussion drilling from 1970 to 1973. Granby discovered and partially outlined the Lower Main Zone by step-out drilling in 1970 and 1971. Subsequent to the Granby work, the property received little attention until 1990, when Kennecott (the successor company to Kennco) initiated a re-evaluation of the Lorraine deposit. The objective was to determine the tenor of gold associated with copper mineralization and to evaluate the potential to increase reserves to a target level of over 100 million tonnes. The work was completed by a contractor, and concentrated in the area south of Lorraine Mountain (on the historic Eckland and Weber Showings) and in a cirque southeast of Lorraine Mountain, then called the Extension Zone and now known as the Bishop Zone. The program consisted of: orthophoto preparation; grid establishment; soil geochemical surveying; orientation induced polarization surveys; geological mapping and sampling; surveying and low level airphoto coverage. Some of the diamond drill core from the Granby holes was re-logged and sampled during this program.

In their 1991 program, Kennecott concentrated on the lesser explored ground peripheral to the Upper Main Zone, to the north, south and southeast of Lorraine Mountain. Three grids were established, and induced polarization surveys conducted. In areas that exhibited coincident chargeability anomalies, soil geochemical anomalies and/or reported mineralized exposures, Kennecott geologists mapped and sampled in detail. Limited prospecting was done over the remainder of the property. This program produced positive results, especially in the Bishop and Weber Zone areas, and resulted in a 12 hole diamond drilling program. Of these holes, nine were in the southeast cirque and resulted in the discovery of the Extension (now the Bishop) Zone. Two holes were in the Weber Zone and the last in the North Cirque area.

Kennecott's work at Lorraine during 1993 focussed on the Upper Main Zone, and was designed to establish the tenor of gold associated with copper mineralization and to assess the potential to increase reserves in the zone. Field crews completed extensive rock chip sampling over the exposed portion of the Upper Main Zone, and diamond drilling tested for extensions of the Upper and Lower Main zones. Three holes were drilled; the first two intersected narrow widths of low grade copper-gold mineralization and the third was abandoned at 13.5m in overburden because of difficult drilling conditions.

Subsequent to Kennecott's 1993 program, Lysander acquired an option on the property and during the 1994 field season diamond drilled a total of 1,221.4 metres in ten holes, using a light helicopter-portable rig. Seven holes were drilled on the Bishop Zone, intended to confirm and if possible extend the higher grade mineralization intersected by Kennecott in 1991. The remaining three were drilled in a fan-shaped array from a single platform on the cliffs in the west-central part of the Upper Main Zone, near the collars of two Granby holes from 1973, which had both returned high-grade sections (15 metres exceeding two percent copper) within broader intercepts grading over one percent.

Lysander's 1994 field program consisted mainly of diamond drilling, with a limited number of geological and prospecting traverses, especially on the Boot-Steele property. Additional field work during 1995 included surface bulk sampling of the talus fan below the Upper Zone, where a modest tonnage of oxidized, leachable copper mineralization is inferred.

The 1995 diamond drilling program on the Lorraine property consisted of 24 holes aggregating 2,902.0 metres. Of these, 23 holes totalling 2,761.8 metres (including deepening of one 1994 hole by 59.0 metres) were drilled in the Upper Main Zone and one hole totalling 140.2 metres on the Bishop Zone within the Lorraine property. The same light drill rig used in 1994 was employed during the latest program; production rates and core recoveries were extremely good. As was the case in 1994, the holes in the Upper Zone were drilled in fan-shaped arrays from six strategically located platforms constructed on the steep slope of the zone. Table 1 summarizes the drilling at Lorraine between 1949 and 1997. Some details of core sizes are not available:

Table 1: Summary of Drilling Statistics - Lorraine Property, 1949 - 1997

Year	Company	Drill Type	Hole Size	No. of Holes	Total Metres	Zone Tested
1949	Kennco	Diamond	AXT	5	964.7	Upper Main
1963	Kennco	Diamond	AXT	2	118.0	un-named
1970	Granby	Diamond	AXW	5	879.0(a)	Upper Main
1970	Granby	Diamond	AXW	3	519.7(a)	Lower Main
1971	Granby	Diamond	A?	14	1,541.1(a)	Lower Main
1972	Granby	Diamond	A?	4	772.4(a)	Lower Main
1973	Granby	Diamond	A?	8	277.7(a)	Lower Main
1972	Granby	Percussion	??	21	2,211.3(b)	Lower Main
1991	Kennecott	Diamond	BDQ	9	1,441.9	Bishop
1991	Kennecott	Diamond	BDQ	2	273.8	Weber
1991	Kennecott	Diamond	BDQ	1	143.0	North Cirque
1993	Kennecott	Diamond	B?	1	275.8	Upper Main
1993	Kennecott	Diamond	B?	1	182.6(c)	Lower Main
1994	Lysander	Diamond	thinwall B	3	280.8	Upper Main
1994	Lysander	Diamond	thinwall B	7	940.6	Bishop
1995	Lysander	Diamond	thinwall B	23(d)	2,761.8(d)	Upper Main
1995	Lysander	Diamond	thinwall B	1	140.2	Bishop
1996	Lysander	Diamond	thinwall B	1	233.8	Upper Main
1996	Lysander	Diamond	thinwall B	3(e)	562.0(e)	Bishop
1996	Lysander	Diamond	thinwall B	5	520.6	Eckland
1996	Lysander	Diamond	thinwall B	1	105.8	North Cirque
1997	Lysander	Diamond	BD-BGM	3(f)	427.6(f)	Bishop

(a) These lengths are derived from the drill logs. Note that there is a slight unexplained discrepancy between the total for 1970 to 1973 and the total reported by Granby.

(b) This aggregate length is derived from drill logs and excludes 80.8 metres in four holes abandoned and redrilled. The discrepancy between this figure and that reported by Granby cannot be explained.

(c) A second Lower Zone hole was abandoned in overburden at 13.5 metres.

(d) Includes deepening of one 1994 hole by 148.8 metres.

(e) Includes deepening of one 1995 hole by 106.7 metres.

(f) Includes deepening of one 1996 hole by 54.3 metres.

A very large number of exploration programs have been undertaken in other areas on what is now the Jajay property. It would be beyond the scope of this summary report to treat all these in the same detail as has been provided for Lorraine; details of many of these programs are contained in assessment work and unpublished company reports, presently held by Lysander. In the briefest of terms, some of the more important programs are described on the following page - for program locations, refer to Figure 7.

Areas of extensive work:

1) **Lorraine:** As described above. Various operators from the 1930's onwards. Extensive exploration culminating in detailed drilling programs. Mineral resources have been estimated (see following section). **1A** - Upper Main Zone; **1B** - Bishop Zone. Other nearby zones not shown.

2) **Dorothy (and Elizabeth):** Most work by Kennco starting in the 1940's, some recent drilling by Kennecott and Lysander. Work includes basic ground surveys (mapping, geophysics and geochemistry) and a few diamond drill holes. Strong copper mineralization exposed at surface and intersected in drilling over relatively short intervals. No coherent zones outlined to date. **2A** - Dorothy area; **2B** - Dorel project.

3) **Ato - Rhonda:** Numerous programs including a small amount of relatively wide-spaced diamond and percussion drilling. Extensive surface geochemistry; some copper exposed on surface and intersected in drilling, but no coherent zones yet outlined. **3A to 3D** - copper-gold or gold soil and rock geochemical anomalies (some strong) requiring detailed compilation and extensive followup.

4) **Steelhead:** Several areas of rocks and soils anomalous in copper and locally gold outlined by grid and contour sampling. Surface mineralization sparse, mainly as copper staining or finely disseminated chalcopyrite. Requires detailed compilation and followup. **4A** - Steelhead option area. **4B** - main area of previous grid work.

5) **Jeno Ridge:** High grade copper mineralization in breccia float. One diamond drill hole not successful in cutting breccia body. Platinum group elements reported to be anomalous. Requires followup by detailed mapping and possibly drilling.

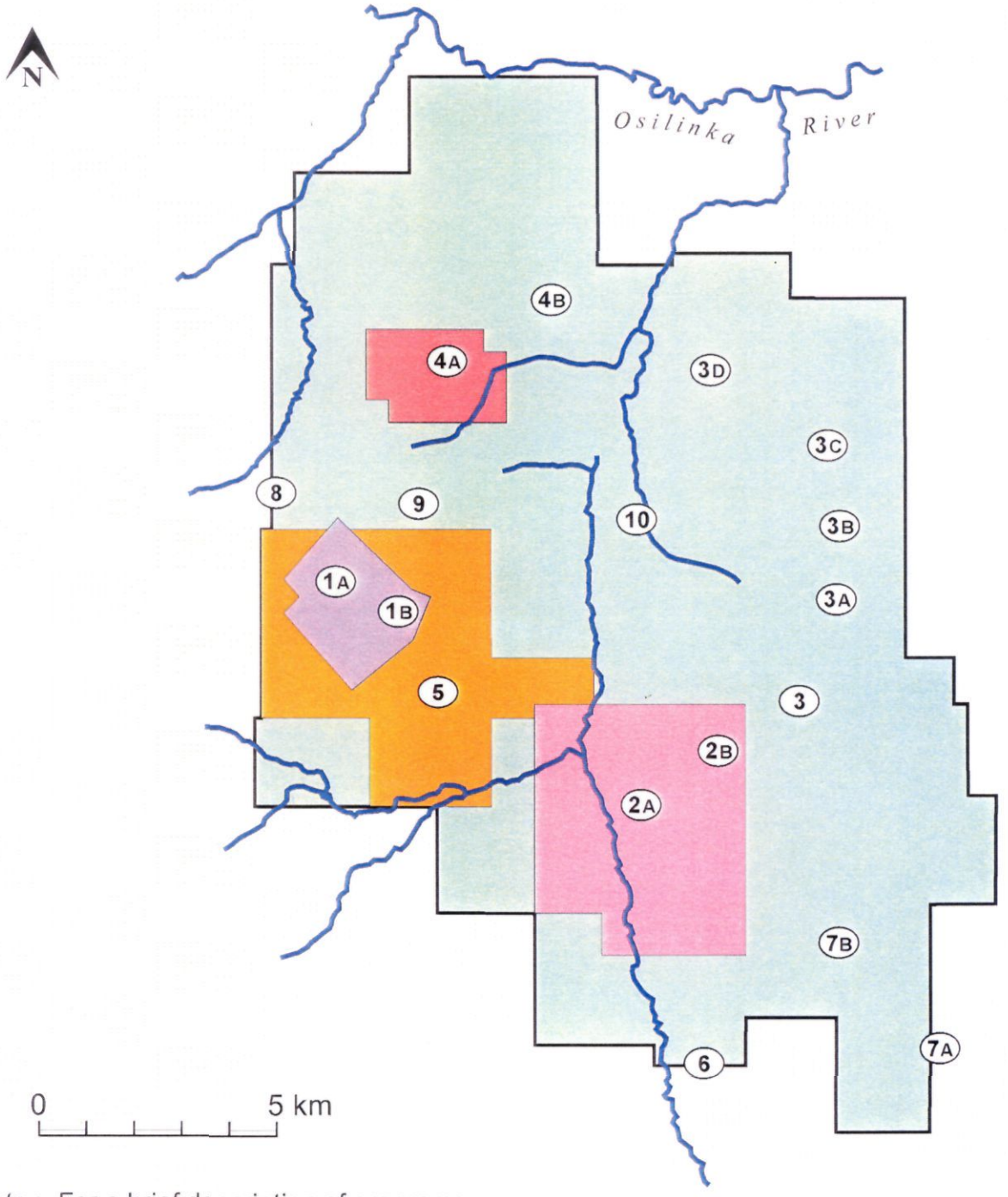
6) **Discovery Creek:** Surface showings with good copper grades over narrow widths, probably structurally controlled. Limited diamond drilling not encouraging. Requires examination and possible followup.

7) **DC:** Large grids. Some geochemical anomalies, but little exposed mineralization. Requires detailed compilation and possible followup.

8) **All Alone North:** Soil and talus fines geochemical anomalies in copper and gold. May be northward extension of Lorraine system. Requires detailed compilation and possible followup.

9) **Col:** Soil geochemical anomaly for molybdenum, with scattered high copper values. Rocks mapped as part of the syenitic complex as at Lorraine. Requires followup.

10) **Fox:** Soil geochemical anomalies in copper. Sparse outcrop, but a few scattered occurrences of copper minerals in alkaline rocks. Requires detailed compilation and possible followup.



Note : For a brief description of programs, refer to text.

- Lorraine Claims (Lysander/Kennecott)
- Boot-Steele Option (Lysander)
- Steelhead Option (Lysander)
- Dorothy Option (Lysander/Kennecott)

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Previous Program Locations

Figure: **7**

9.0 MINERAL RESOURCE ESTIMATES

Initial mineral resource estimates for the Upper Main and Bishop zones on the Lorraine property have been completed. The results of this work must be considered to be preliminary, pending more accurate survey control of drill hole collars, and detailed checking of the assay database.

The estimates were based on polygonal areas measured around the pierce points of individual drill holes on successive 10 metre levels in both zones. The assumption was a 50 metre maximum radius for "measured and indicated" (not differentiated), with an additional 25 metres beyond this for "inferred" material. Continuity of mineralization appears to be such that these assumptions are reasonable. Only material which could reasonably be seen as falling within rough "mineable envelopes" is included in the estimates. This involved definition of simple conceptual pits with 45 degree pit walls but with no allowance for haul roads, etc. The material is diluted in the sense that no internal waste has been sorted out. Assay grades are derived from several generations of work - in some cases silver was not assayed for, so an estimate was prepared based on overall copper:silver ratios for each of the zones. Available data suggest that this ratio is remarkably constant. The grades assigned to the various level blocks are derived from composites calculated by computer within the 10 metre slices.

The results are shown on Tables 2A and 2B on the following pages. Tonnages and grades are quoted for various copper cutoffs, with the 0.25 percent value highlighted. It is important to note that in both "pits" there is a very substantial tonnage of material lying more than 75 metres from the influence of any drill hole. This means that more drilling is required in both zones. If successful, this drilling would increase the tonnages in both zones, and decrease the stripping ratio (or increase the size of the imputed "pits" at the present strip ratios, thus bringing more mineable material into play. Any temptation to raise the cutoff above the maximum shown should be resisted, because at higher cutoffs the deposits show a tendency to break up into a large number of disconnected blocks which would be difficult to mine selectively.

A first pass at outlining a drill program calls for about 2,300 metres in 20 holes for Upper Main, at a cost of about $500,000, and about 2,200 metres in 20 holes for Bishop, at an additional cost of about $400,000. With ancillary work which is urgently required, including an investigation of the as yet poorly defined Lower Main Zone, the total budget for drilling in 1998 should be of the order of $1.25 to $1.50 million, although much of the work could be deferred to 1999.

With respect to the Lower Main Zone, early work by Granby is said to have suggested about 5.5 million tonnes grading 0.60% copper and 0.10 grams gold per tonne. A detailed review of this area requires some basic locational survey work in the field. A preliminary review suggests that the use of percussion drilling might not have been appropriate, and that angle drilling is likely to give much more reliable results than the mostly vertical drilling completed to date.

Lorraine Property - Summary of Resource Estimate:

Table 2A:

Upper Main Zone: - within conceptual "pittable envelope":

Combined Measured and Indicated (50 m radius)

Cu c/o (%)	MM tonnes	Cu (%)	Au (g/t)	Ag (g/t)
0.50	7.17	0.93	0.32	6.5
0.40	8.51	0.86	0.31	5.9
0.35	9.46	0.81	0.29	5.5
0.30	10.68	0.75	0.27	5.2
0.25	11.89	0.71	0.26	4.9
0.20	13.30	0.66	0.24	4.5
0.15	14.23	0.62	0.23	4.3
0.10	15.79	0.58	0.21	4.0
0.05	17.07	0.54	0.20	3.7

Inferred (50 - 75 m radius)

Cu c/o (%)	MM tonnes	Cu (%)	Au (g/t)	Ag (g/t)
0.50	2.57	0.88	0.31	5.8
0.40	2.89	0.83	0.29	5.4
0.35	3.29	0.77	0.27	5.0
0.30	3.71	0.72	0.26	4.7
0.25	3.96	0.70	0.25	4.6
0.20	4.53	0.64	0.23	4.2
0.15	4.65	0.62	0.23	4.1
0.10	5.09	0.58	0.21	3.8
0.05	5.50	0.54	0.20	3.5

Total drilled material below 0.25% Cu cutoff - 7.29 MM tonnes
Total material beyond the range of drilling - 10.77 MM tonnes

"Strip ratio" at the 0.25% Cu cutoff is thus about 1.14:1

Note: These are resources, not reserves. They refer only to the Upper Main Zone portion of the overall deposit area. They are subject to revision as data are refined. If one assumed, and this is probably reasonable, that of the 10.8 MM tonnes "undrilled", perhaps 3.0 to 3.5 MM tonnes exceeded the 0.25% cutoff, this would have a very positive effect on the strip ratio and the overall tonnage available for a mill.

Lorraine Property - Summary of Resource Estimate:

Table 2B:

Bishop Zone: - within conceptual "pittable envelope":

Combined Measured and Indicated (50 m radius)

Cu c/o (%)	MM tonnes	Cu (%)	Au (g/t)	Ag (g/t)
0.50	4.49	0.83	0.08	5.9
0.40	5.57	0.76	0.08	5.4
0.35	6.30	0.71	0.07	5.1
0.30	6.86	0.68	0.07	4.9
0.25	7.72	0.64	0.07	4.5
0.20	9.35	0.57	0.07	3.9
0.15	11.35	0.53	0.07	3.6
0.10	11.12	0.50	0.06	3.3
0.05	13.56	0.43	0.06	2.9

Inferred (50 - 75 m radius)

Cu c/o (%)	MM tonnes	Cu (%)	Au (g/t)	Ag (g/t)
0.50	1.73	0.79	0.05	5.6
0.40	2.09	0.73	0.05	5.2
0.35	2.33	0.69	0.05	4.9
0.30	2.45	0.68	0.05	4.8
0.25	2.87	0.62	0.05	4.3
0.20	3.47	0.55	0.05	3.6
0.15	3.88	0.51	0.05	3.3
0.10	4.17	0.49	0.05	3.1
0.05	5.28	0.40	0.04	2.7

Total drilled material below 0.25% Cu cutoff - 6.87 MM tonnes
Total material beyond the range of drilling - 8.20 MM tonnes

"Strip ratio" at the 0.25% Cu cutoff is thus about 1.42:1

Note: These are resources, not reserves. They refer only to the Bishop portion of the overall deposit area. They are subject to revision as data are refined. If one assumed, and this is probably reasonable, that of the 8.2 MM tonnes "undrilled", perhaps 1.5 to 2.0 MM tonnes exceeded the 0.25% cutoff, this would have a very positive effect on the strip ratio and the overall tonnage available for a mill.

10.0 PROPERTY POTENTIAL

The potential of the Jajay property lies in several different areas and at differing levels of exploration. These are discussed below, in order of their perceived importance.

Firstly, there is good potential to expand the Upper Main and Bishop zones by additional diamond drilling. It is difficult to predict by how much these zones might be expanded, but it seems that an increase of 20 to 25 percent might be achievable. If successful, this would bring the mineable total for the two zones to something in the order of 32 million tonnes at about 0.65 percent copper with appreciable precious metal credits.

Secondly, there is the as yet unresolved problem of the size and character of the Lower Main Zone. Based on the work to date it is not unreasonable to expect that one might, with a comprehensive diamond drilling program, assemble an aggregate tonnage of between 10 and 15 million tonnes of material at similar grades to that for the Upper Main and Bishop zones. This increase must be regarded as more speculative than for the first two zones, but is considered to be a reasonable projection. If the Lower Main Zone were to extend further than present indications suggest, of course the tonnage might be greater.

Thirdly, there is distinct potential for defining additional zones of good grade mineralization elsewhere on the Lorraine claims. These might not be as large as the presently known zones, but they would add to the overall tonnage available for a central milling complex.

Fourthly, the Dorothy property has not been explored in any great detail. It is difficult at this time to estimate what the potential is here, but certainly there is a possibility of defining at least a smaller tonnage of good grade material, which could stand the cost of transport to a facility at Lorraine.

Fifthly, the Jeno Ridge occurrence, while apparently of limited size, has very attractive grades and might well contribute a relatively smaller amount of "shipping ore" to the overall picture. This area is difficult to explore, and should not be allowed to divert attention from more important areas.

Finally, there numerous good grassroots targets elsewhere on the property. While it is not possible to quantify the overall potential, the suggested geological similarities of much of the ground to the original Lorraine area mean that these targets deserve attention. More zones of similar size and grade to those indicated at Lorraine might well be located, especially in areas of poor outcrop density. It is important to remember that the Lorraine zones are, by porphyry deposit standards, relatively limited in size. Even more importantly, they do not exhibit extensive alteration and mineralization haloes.

Jajay is a very large property with favourable geology and abundant evidence of numerous areas of copper and precious metals mineralization. As such, it represents a very attractive exploration target.

11.0 RECOMMENDED PROGRAM

It is recommended that Lysander proceed with a program of detailed compilation of data from the various exploration programs on and near the Jajay property. The results of such compilation would help to focus further work in the most prospective areas, thus optimizing exploration expenditures. The work would ideally be undertaken in the very near future, in order that the results could be used to direct fieldwork later this summer.

As a part of this compilation exercise, a number of field checks should be undertaken in several areas. These would not involve extensive fieldwork, but would rather be designed to enable the Company's consultants to design detailed evaluation programs. Coincident with these field checks, a program of detailed locational surveying of all hole collars on the Lorraine property would allow for fine-tuning of resource estimation.

Some detailed mapping and sampling should be undertaken in the Jeno Ridge area, and if possible on the Dorothy and Steelhead properties. Such work would require probably two to three weeks to complete.

By far the bulk of work necessary for the Jajay project over the 1998 and 1999 seasons would be in the form of detailed diamond drilling programs designed to more closely delineate and possibly expand the Upper Main and Bishop zones. Diamond drilling is also required to properly assess the potential and to begin to define in detail the Lower Main Zone.

As part of the ongoing diamond drilling program, fresh material from the diamond drill core should be submitted for metallurgical testwork. Such tests are necessary to establish the expected recoveries of copper by flotation, and the degree to which the precious metals report to copper concentrates.

Detailed budgets for the above work have not yet been formulated. A total of about 50 diamond drill holes are required, aggregating something in the order of 5,000 metres. Based on the historical costs for drilling at Lorraine, it is estimated that this drilling would cost about $C 1,000,000. A further $C 300,000 should be set aside for compilation, field examination and pre-drilling programs elsewhere on the Jajay property. With contingencies, the total budget required for the next stages of work on this property would be at least $C 1,500,000.

G.R. Peatfield, Ph.D., P.Eng.
23 June, 1998

13.0 STATEMENT OF QUALIFICATIONS OF G.R. PEATFIELD, Ph.D., P.Eng.

I, Giles R. Peatfield, do hereby certify that:

1. I am a consulting Geological Engineer with an office at 104-325 Howe Street, Vancouver, British Columbia, V6C 1Z7.

2. I am a graduate of the University of British Columbia (B.A.Sc., Geological Engineering, 1966) and of Queen's University at Kingston (Ph.D., 1978).

3. I am a Fellow of the Geological Association of Canada, and a Member of the Association of Professional Engineers and Geoscientists of British Columbia, of the Canadian Institute of Mining and Metallurgy, and of the Association of Exploration Geochemists.

4. I have practiced my profession as an exploration geologist for more than thirty years, as a graduate student, as an employee of a major mining company and as an independent consultant.

5. To complete this review, I have relied on published and unpublished data referring to the Lorraine property and to the surrounding area as provided by Lysander Gold Corporation and Kennecott Canada Inc., or otherwise available to the public. I have visited the Lorraine property twice during Lysander's involvement there, with Mr. J.W. Morton of Mincord Exploration Consultants Ltd., contractors to Lysander for field management of the diamond drilling campaigns. I have discussed the results of all programs with Mr. Morton and with Dr. P.W. Richardson, consultant to Lysander.

6. I have no interest, direct or indirect, nor do I expect to receive any interest in the Lorraine or Boot-Steele properties, or in other mining properties in the region, or in the securities of Lysander Gold Corporation or any other corporate entity actively involved in mining exploration projects in the Duckling Creek area.

7. I hereby give permission for use of this report in its complete and unedited form. Written permission must be obtained before publication or dissemination of any excerpt or summary.

G.R. Peatfield, Ph.D., P.Eng.

Dated at Vancouver, British Columbia this 23th day of June, 1998.

APPENDIX I

Property Information

Jajay Property

Appendix I - Property Information, Jajay Property:

The Jajay Property consists of the following mineral tenures, all registered 100% in the name of Lysander Gold Corporation and all located in the Omineca Mining Division. Note that claims are listed (within each sub-group) in the order they were acquired.

1) Lorraine Option:

Claim Name	Tag Number	Tenure Number	No. of Units	Record Date	Expiry Date
LORRAINE NO. 1	A18354	243499	1	17Sep1947	17Sep2006
LORRAINE NO. 2	A18355	243500	1	17Sep1947	17Sep2006
LORRAINE NO. 3	A18356	243501	1	17Sep1947	17Sep2006
LORRAINE NO. 4	A18357	243502	1	17Sep1947	17Sep2006
LORRAINE NO. 5	A18358	243503	1	17Sep1947	17Sep2006
LORRAINE NO. 6	A18359	243504	1	17Sep1947	17Sep2006
LORRAINE NO. 7	A18360	243505	1	17Sep1947	17Sep2006
LORRAINE NO. 8	A18361	243506	1	17Sep1947	17Sep2006
LORRAINE NO. 9	A27058	243507	1	22Jun1948	22Jun2006
LORRAINE NO. 10	A27059	243508	1	22Jun1948	22Jun2006
LORRAINE NO. 11	A27060	243509	1	22Jun1948	22Jun2006
LORRAINE NO. 12	A27061	243510	1	22Jun1948	22Jun2006
LORREX NO. 1	304657	243646	1	04Sep1961	04Sep2006
LORREX NO. 2	304658	243647	1	04Sep1961	04Sep2006
GK #1	115789M	245043	1	03Jul1970	03Jul2006
GK #2	115790M	245044	1	03Jul1970	03Jul2006
GK #3	115791M	245045	1	03Jul1970	03Jul2006
GK #4	115792M	245046	1	03Jul1970	03Jul2006
GK #5	115799M	245047	1	03Jul1970	03Jul2006
GK #6	115901M	245048	1	03Jul1970	03Jul2006
GK #7	115902M	245049	1	03Jul1970	03Jul2006
GK #8	115903M	245050	1	03Jul1970	03Jul2006
GK #9	76318M	245051	1	03Jul1970	03Jul2006
GK #10	76319M	245052	1	03Jul1970	03Jul2006
GK #11	115800M	245053	1	03Jul1970	03Jul2006
GK #18	115904M	245054	1	03Jul1970	03Jul2006
GK #19	76315M	245055	1	03Jul1970	03Jul2006
GK #20	76316M	245056	1	03Jul1970	03Jul2006
GK #21	76317M	245057	1	03Jul1970	03Jul2006
LORRAINE #1 FR.	228503M	245449	1	31May1972	31May2006
LORRAINE #2 FR.	228504M	245450	1	31May1972	31May2006
LORRAINE #3 FR.	228505M	245451	1	31May1972	31May2006
GK #109 FR.	228506M	245452	1	31May1972	31May2006
GK #111 FR.	228508M	245453	1	31May1972	31May2006
GK #110 FR.	228507M	245530	1	25Jul1972	25Jul2006
GK #112 FR.	231226M	245531	1	25Jul1972	25Jul2006

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Appendix I - Property Information, Jajay Property - continued:

2) Dorothy Option:

Claim Name	Tag Number	Tenure Number	No. of Units	Record Date	Expiry Date
DOROTHY NO. 1	A27065	243511	1	16Jul1948	16Jul2002
DOROTHY NO. 3	A27067	243512	1	16Jul1948	16Jul2002
ELIZABETH NO. 1	A27073	243513	1	27Aug1948	27Aug2002
DOROTHY 1	108417	241431	12	20Nov1989	20Nov2002
DOROTHY 2	108418	241432	12	20Nov1989	20Nov2002
DOROTHY 3	108419	241433	12	20Nov1989	20Nov2002
DOROTHY 4	108420	241434	12	20Nov1989	20Nov2002
DOROTHY 5	110568	241961	12	14May1990	14May2002
DOROTHY 6	110569	241962	15	14May1990	14May2002
DOROTHY 7	110570	241963	18	14May1990	14May2002

3) Boot-Steele Option:

Claim Name	Tag Number	Tenure Number	No. of Units	Record Date	Expiry Date
STEELE #1	118679	240496	20	29Apr1989	29Apr2003
STEELE #2	118678	240497	20	29Apr1989	29Apr2003
STEELE #3	118677	240498	20	29Apr1989	29Apr2003
STEELE #4	118676	240499	20	29Apr1989	29Apr2003
BOOT #6	30957	242900	15	30Oct1990	30Oct2001
BOOT 10	08965	303913	20	05Sep1991	05Sep2002

4) Steelhead Option:

Claim Name	Tag Number	Tenure Number	No. of Units	Completion Date	Expiry Date
STEELHEAD 1	232481	334766	8	06Apr1996	06Apr2001
STEELHEAD 2	232482	334767	8	06Apr1996	06Apr2001
SH 8	659384M	334773	1	06Apr1996	06Apr2001
SH 9	659383M	334774	1	06Apr1996	06Apr2001
SH 10	659382M	334775	1	06Apr1996	06Apr2001

5) PAL Property (100% Lysander):

Claim Name	Tag Number	Tenure Number	No. of Units	Record Date	Expiry Date
PAL 2	233269	346811	20	30May1996	30May2001
PAL 1	233275	346810	6	31May1996	31May2001
PAL 21	233276	346829	20	31May1996	31May2001
PAL 3	233277	346812	20	01Jun1996	01Jun2001
PAL 28	233243	346836	12	01Jun1996	01Jun1999
PAL 29	233244	346837	12	01Jun1996	01Jun1999
PAL 20	233272	346828	8	02Jun1996	02Jun2001
PAL 27	233246	346835	20	02Jun1996	02Jun2000

Continued on next page

Appendix I - Property Information, Jajay Property - continued:

5) PAL Property (100% Lysander) - continued:

Claim Name	Tag Number	Tenure Number	No. of Units	Completion Date	Expiry Date
PAL 30	233245	346838	20	02Jun1996	02Jun2000
PAL 31	233247	346839	20	03Jun1996	03Jun2000
PAL 25	233273	346833	20	04Jun1996	04Jun2000
PAL 26	233249	346834	20	04Jun1996	04Jun1999
PAL 19	233250	346827	20	05Jun1996	05Jun2001
PAL 15	233259	346823	20	06Jun1996	06Jun2001
PAL 18	233258	346826	20	06Jun1996	06Jun2001
PAL 24	233251	346832	20	06Jun1996	06Jun2000
PAL 16	233263	346824	20	07Jun1996	07Jun2001
PAL 17	233264	346825	20	07Jun1996	07Jun2001
PAL 22	233261	346830	8	07Jun1996	07Jun2001
PAL 23	233260	346831	20	07Jun1996	07Jun2000
BOBINO #1	233262	346808	10	07Jun1996	07Jun2001
BOBINETTE	233255	346809	10	08Jun1996	08Jun2000
PAL 8	233248	346817	15	09Jun1996	09Jun2000
PAL 9	233256	346818	20	09Jun1996	09Jun2000
PAL 10	233254	346819	20	09Jun1996	09Jun2000
PAL 12	233252	346820	15	10Jun1996	10Jun2000
PAL 4	233268	346813	20	11Jun1996	11Jun2001
PAL 6	233253	346815	20	11Jun1996	11Jun2001
PAL 7	233257	346816	20	11Jun1996	11Jun2001
PAL 13	233265	346821	20	12Jun1996	12Jun2000
PAL 14	233267	346822	15	12Jun1996	12Jun2000
PAL 32	234920	349774	20	11Aug1996	11Aug2001
PAL 35	234923	349777	10	14Aug1996	14Aug2000
PAL 33	234921	349775	12	16Aug1996	16Aug2000
PAL 34	234922	349776	8	16Aug1996	16Aug2002
PAL 40	234982	349728	15	16Aug1996	16Aug2000
PAL 36	234924	349778	20	17Aug1996	17Aug2000
PAL 37	234925	349779	20	17Aug1996	17Aug2000
PAL 38	234926	349780	20	17Aug1996	17Aug2000
PAL 39	234927	349781	20	17Aug1996	17Aug2000
PAL 42	234930	349784	12	18Aug1996	18Aug2000
PAL 41	234929	349783	15	20Aug1996	20Aug2000
PAL 44	234932	349786	20	20Aug1996	20Aug2000
PAL 43	234931	349785	20	21Aug1996	21Aug2000
PAL 48	234936	350016	12	23Aug1996	23Aug2000
PAL 47	234935	350425	15	24Aug1996	24Aug2001
FIONA	625230M	352235	1	09Oct1996	09Oct2000
ISABELLE	625231M	352236	1	09Oct1996	09Oct2000
SUZANNE	625232M	352237	1	09Oct1996	09Oct2000