

Excerpts from Pacific Geophysical Ltd. Report
Cat Mountain Project - Omineca Mining Division
of British Columbia
January 24, 1991

"A very large sulphide system appears to be outlined by the geophysical data, as evidenced by numerous chargeability (IP) anomalies."

"A total of 82.5 line kilometers of IP/resistivity and 118 line kilometers of total field magnetic data was acquired."

"The results of the present geophysical surveys appear to indicate the presence of a large sulphide system which primarily manifests itself as anomalously high chargeability (IP effect) readings."

"Interpretation of the character and spatial distribution of the anomalies has led to the outlining of numerous zones which are also presented on this map. These zones are distributed fairly evenly over the survey grid with the boundaries of the system remaining open to the north, south and east. This would suggest a large scale distribution of polarizable material with dimensions *in excess of 6700 meters in a north - south direction and on the order of 2000 meters east - west.*"

"Generally speaking, the dimensions and character of the geophysical survey results, viewed in the light of the reasonably well defined geology of the area, are felt to be consistent with the existence of a large scale, porphyry type sulphide system."

Excerpts from Dr. Stan Hoffman's
Geochemistry Report on the CAT Property
January, 1991

"Discussion of Results

A. General Observations

Exploration for alkalic Au-Cu porphyries is driven primarily by the character of the Au and Cu soil geochemical anomalies and the sulphide content-magnetic character of underlying bedrock as determined by geophysical surveys. As current exploration emphasizes comparison to Mount Milligan, Figure 2 compares the geochemical parameters while Figure 1 compares IP signatures. Examination of both sets of data reveals close similarities in terms of size and thresholds of geochemical anomalies and dimensions and strength of geophysical anomalies. Landscapes are also similar, consisting of mountains with locally derived talus or till overburden and valley bottoms with a variable thickness of outwash. On both properties, geochemical signatures are able to develop in both environments, despite what might initially be considered unfavourable, that of glacial outwash mantling bedrock."

"B. Application to Exploration

The soil survey has defined four major anomalies worthy of followup (Figure). These include:

- (1) **Cat Mountain Au-Cu anomaly.** Work in 1990 has extended the feature 1 km further northeastward and still open, and has defined a local 1 km northward extension to the banks of the south Arm of Thane Creek. Overall dimensions of the zone are about 1 km wide and 3 km long, open to the northeast. The anomaly has an As, Mo, Co, W, Fe and V association, similar in that respect to QR and Mount Milligan, and a Sr, Ca and Al pattern along the north northwest trending fault believed to be reflecting bedrock alteration. Mineralization appears to be represented by a low sulphide system characterized by chalcocite and bornite predominating over chalcopyrite and pyrite.
- (2) **East Cat Mountain Zone.** This anomaly is large, as defined by the Au, As and Cu distributions, in the order of 4 km long and 500 to 1000 m across, open to the northeast."
- (3) **Northern Au, Cu, As anomaly associated with a magnetic anomaly.** The anomaly has dimensions of 500 to 800 m, open to the north."

LYSANDER GOLD CORPORATION

VSE Symbol: LYS

NEWS RELEASE

For Immediate Release

January 23, 1991

LYSANDER GOLD CORPORATION ACQUIRES 100% INTEREST IN THE OP PROPERTY

Lysander Gold Corporation has purchased Bow Valley Industries' interest in the OP Property in the Mackenzie District of the Northwest Territories to hold a 100% working interest subject to a 2.5% Net Smelter Return Royalty and a 10% Net Profits Interest. The N.S.R. can be purchased for \$1,500,000 on or prior to commercial production.

The OP Property (OP 1,2,3) explored by Bow Valley Industries prior to 1987 and jointly with *Lysander* in 1987 and 1988 covers a 4.5 km. long strike length of Archean turbidites associated with silicate and sulphide iron formations. The stratigraphic setting is analogous to that hosting Echo Bays' Lupin Mine located 12.0 km. to the Northwest.

Previous exploration work amounting to over \$1,000,000 has included gridding, extensive trenching and sampling, detailed geological mapping, geophysical surveys and diamond drilling. On the OP 1 Claim (2582.5 acres) there are four areas of iron formations, the Blue, West, Main and Valley zones. The emphasis of exploration has been concentrated on the Main Zone. The Main Zone, on surface, consists of one large silicate iron formation sequence, up to 30 m. wide, with several subsidiary silicate iron formation lenses. Interbedded within the silicate iron formation sequence is sulphide mineralization which on surface includes finely disseminated to semi-massive, banded pyrite, and/or pyrrhotite, with lesser arsenopyrite, in widely varying amounts.

The following are the most significant gold value intersections:

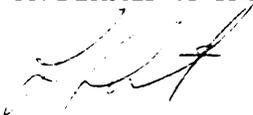
HOLE NUMBER	INTERVAL METRES	CORE LENGTH (FEET)	GOLD ASSAYS OZ/TON
OP-6-85	36.29-37.33	3.41	0.17
	50.98-51.41	1.41	1.029
OP-11-87	79.15-79.85	2.30	.098
	61.90-90.25	27.39	.191
	incl. 87.10-90.25	10.33	.427
OP-13-87	86.49-87.15	2.16	.245
	88.65-90.93	7.48	.362
	20.58-124.07	11.45	.097

HOLE NUMBER	INTERVAL METRES	CORE LENGTH (FEET)	GOLD ASSAYS OZ/TON
OP-14-87	108.29-109.75	3.80	.141
	112.56-113.45	2.91	.117
	122.54-124.60	6.76	.088
	149.40-149.80	1.31	.089
OP-15-87	102.65-104.35	5.57	.097
	incl. 102.65-103.60	3.12	.141
OP-16-87	174.30-175.25	3.12	1.12
OP-17-87	79.20-79.70	1.64	.13

During 1990 a Legal Survey of the OP 1,2,3 Claims was completed by Matthews & Associates and an application for lease of the OP 1 Claim has been made to the Mining Recorder in Yellowknife, Northwest Territories.

Lysander, has also sold its 10% interest in the Aber South property to Aber Resources Ltd. for 0.312% Net Smelter Return Royalty subject to a \$500,000 buyout within 60 days of the date of commencement of a production program on the Property.

ON BEHALF OF THE BOARD OF DIRECTORS



Lou Duarte
President
(604-681-8069)

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

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VSE Trading Symbol: LYS

NEWS RELEASE

For Immediate Release November 14, 1990

SIZEABLE MILLIGAN-TYPE TARGETS DEVELOPING AT CAT PROPERTY

Andrew Milligan, Chairman of *Lysander Gold Corporation* announces that preliminary results have been received from *BP Resources Canada Limited* the operator of the CAT Mountain Joint Venture (Lysander 47% - BP 53%) in the Omineca Mining Division of British Columbia.

The main thrust of the 1990 program, which was partially based on experience gained from the Mount Milligan project in the same geological setting, was to define the overall mineral system over the entire 31 square kilometre Joint Venture property. Line cutting, induced polarization, ground magnetometer, multielement soil geochemistry and geological mapping was carried out over a total of 115 line kilometres of grid.

Analysis of the resultant data has defined a very large IP anomaly some 3.4 kilometres in diameter, which compares favourably in size with that generated over the sulphide system at Mount Milligan.

On CAT Mountain geophysical and geological work has defined a volcanic centre which has a strong magnetic signature. Peripheral to this are a number of porphyritic intrusive bodies which are similar in character to the intrusive bodies that are associated with the orebodies at Mount Milligan.

Extensive geochemical anomalies in copper, gold and arsenic compare favourably in size to the corresponding anomalies at Mount Milligan. The last hole drilled in 1990, No. 90-14, was significant. This hole shows strong propylitic alteration and disseminated sulphides and was described by the Company's consultant, Mark Rebagliati, P.Eng., as having the alteration and style of sulphide mineralization that are compatible with the fringe area of a large mineralized auriferous porphyry copper system.

BP has indicated that at least 5 major areas have been defined for follow-up, of which two can be drilled without additional definition. The accompanying diagrams illustrate the close similarities to Mount Milligan.

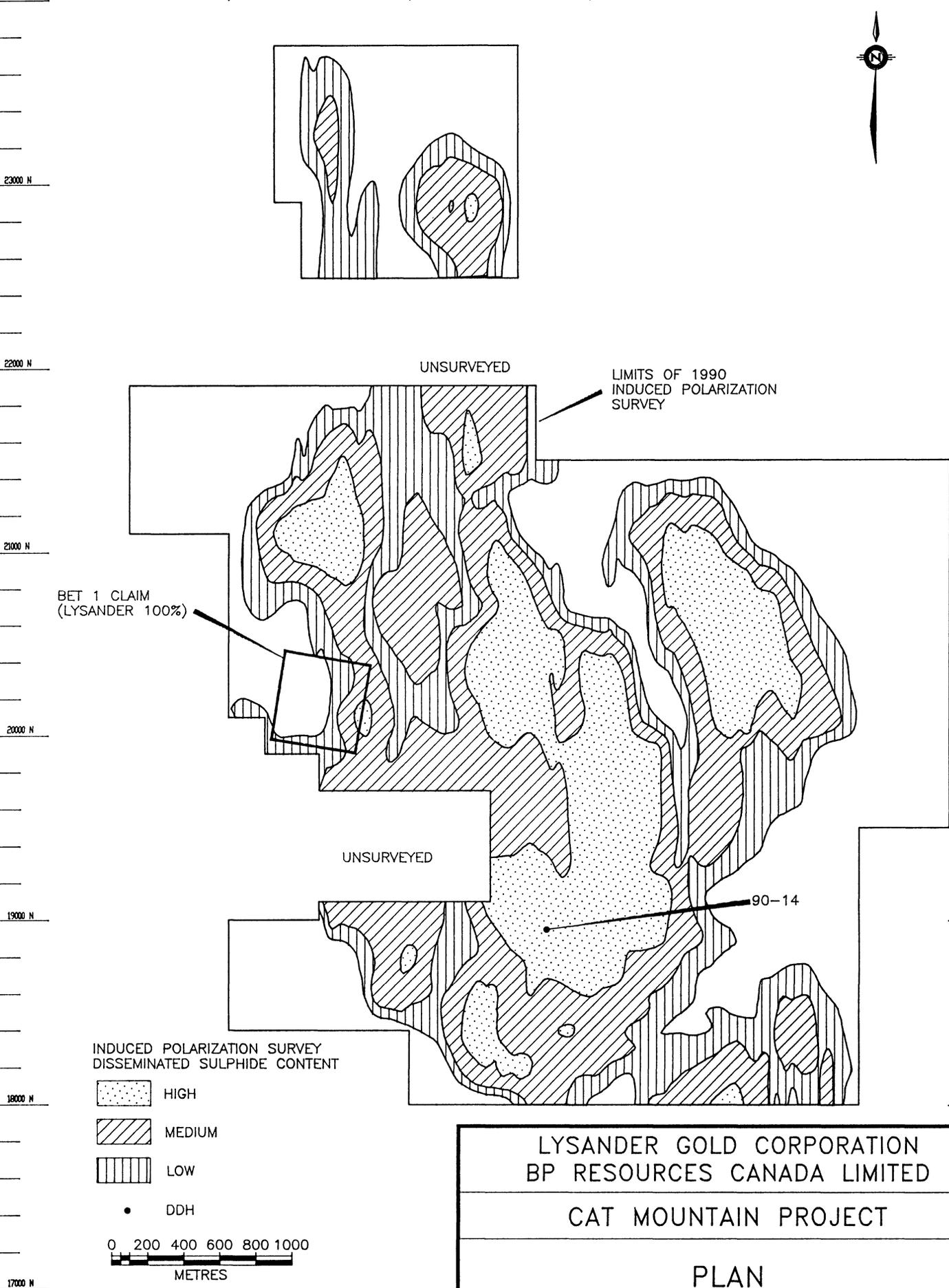
During the year the Joint Venture property has been increased to 47 square kilometres. In addition, Lysander has a 100% interest in the centrally located Bet Claim where high gold and copper values were encountered in the 1989 and 1990 drilling and trenching programs and 100% interest in 21 square kilometres adjacent to the northern anomalies.

ON BEHALF OF THE BOARD OF DIRECTORS

Andrew Milligan, Chairman

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

18000 E 19000 E 20000 E 21000 E 22000 E 23000 E



UNSURVEYED

LIMITS OF 1990
INDUCED POLARIZATION
SURVEY

BET 1 CLAIM
(LYSANDER 100%)

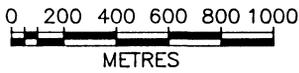
UNSURVEYED

90-14

INDUCED POLARIZATION SURVEY
DISSEMINATED SULPHIDE CONTENT

-  HIGH
-  MEDIUM
-  LOW

• DDH

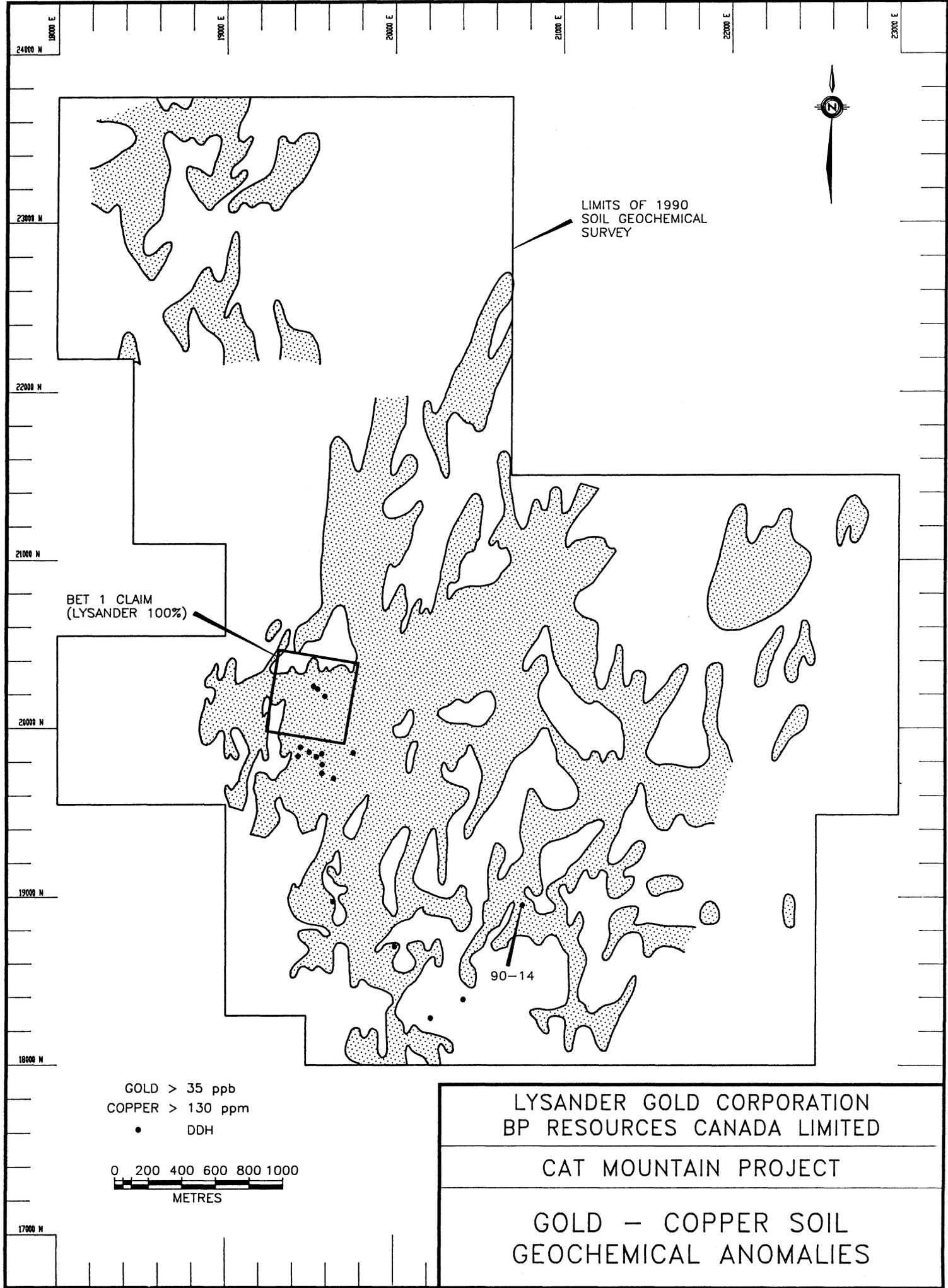


LYSANDER GOLD CORPORATION
BP RESOURCES CANADA LIMITED

CAT MOUNTAIN PROJECT

PLAN
DISSEMINATED SULPHIDE SYSTEM

17000 N 18000 N 19000 N 20000 N 21000 N 22000 N 23000 N 24000 N

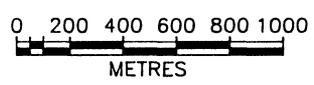


LIMITS OF 1990
SOIL GEOCHEMICAL
SURVEY

BET 1 CLAIM
(LYSANDER 100%)

90-14

GOLD > 35 ppb
COPPER > 130 ppm
• DDH

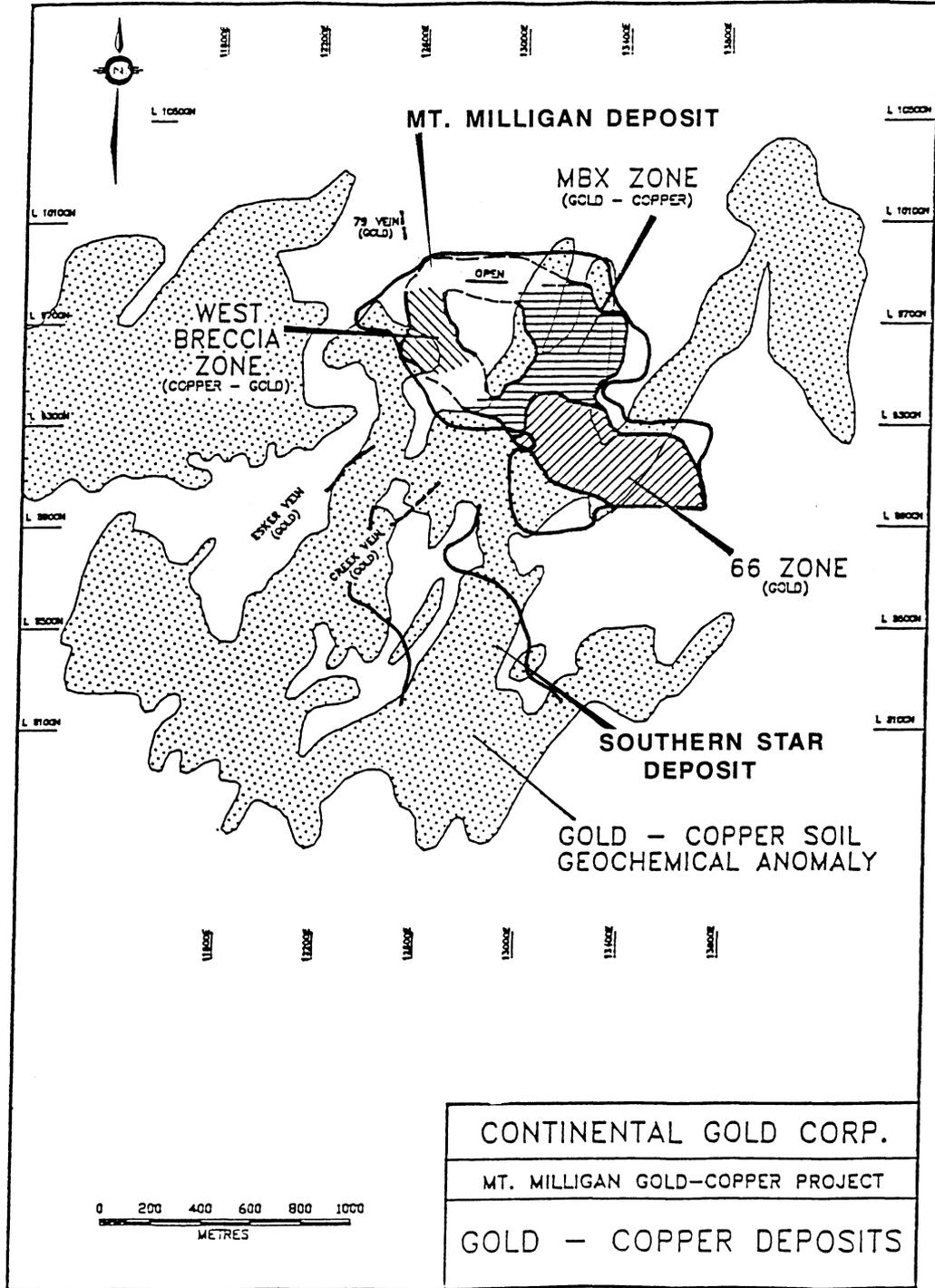


LYSANDER GOLD CORPORATION
BP RESOURCES CANADA LIMITED

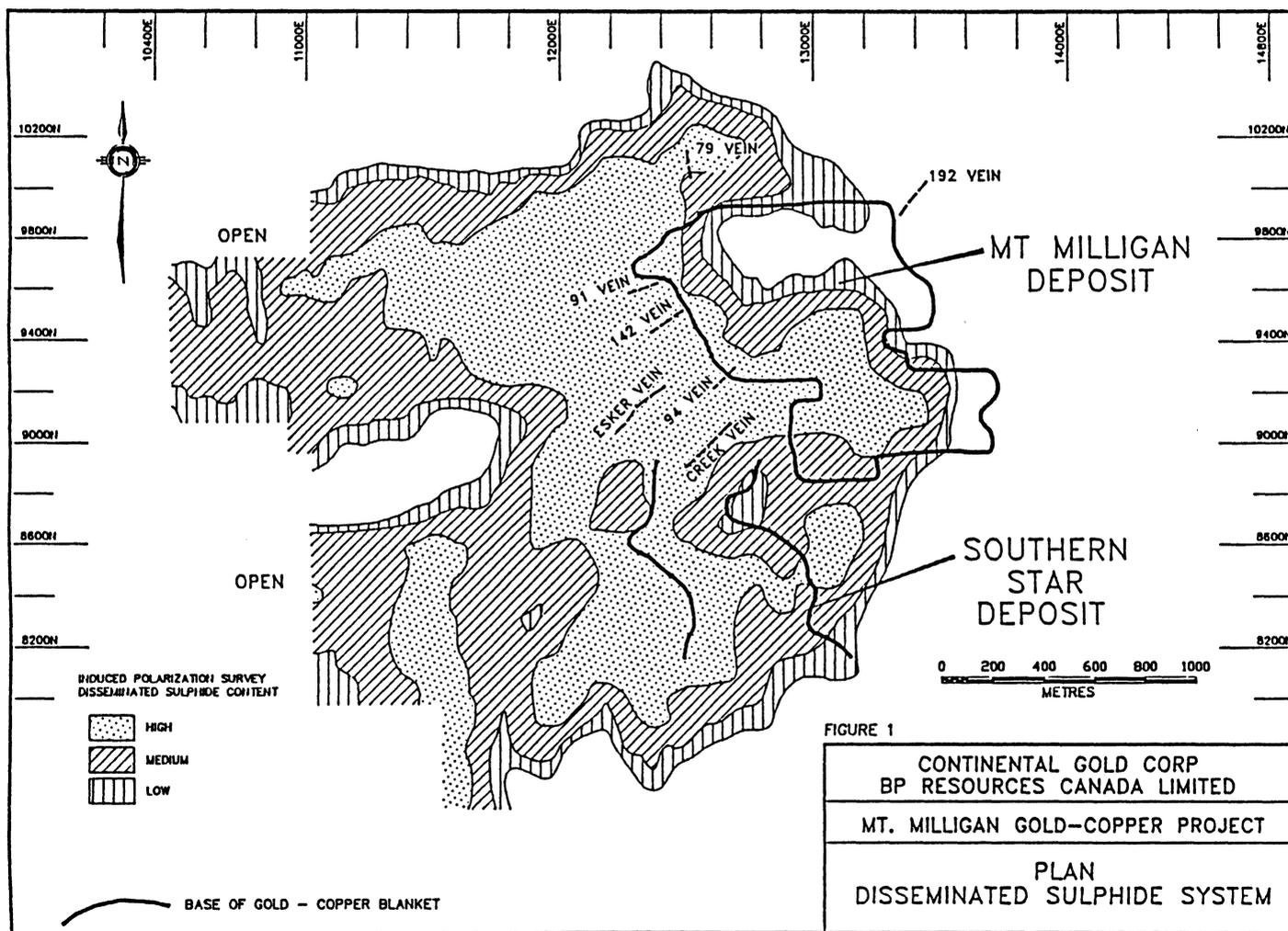
CAT MOUNTAIN PROJECT

GOLD - COPPER SOIL
GEOCHEMICAL ANOMALIES

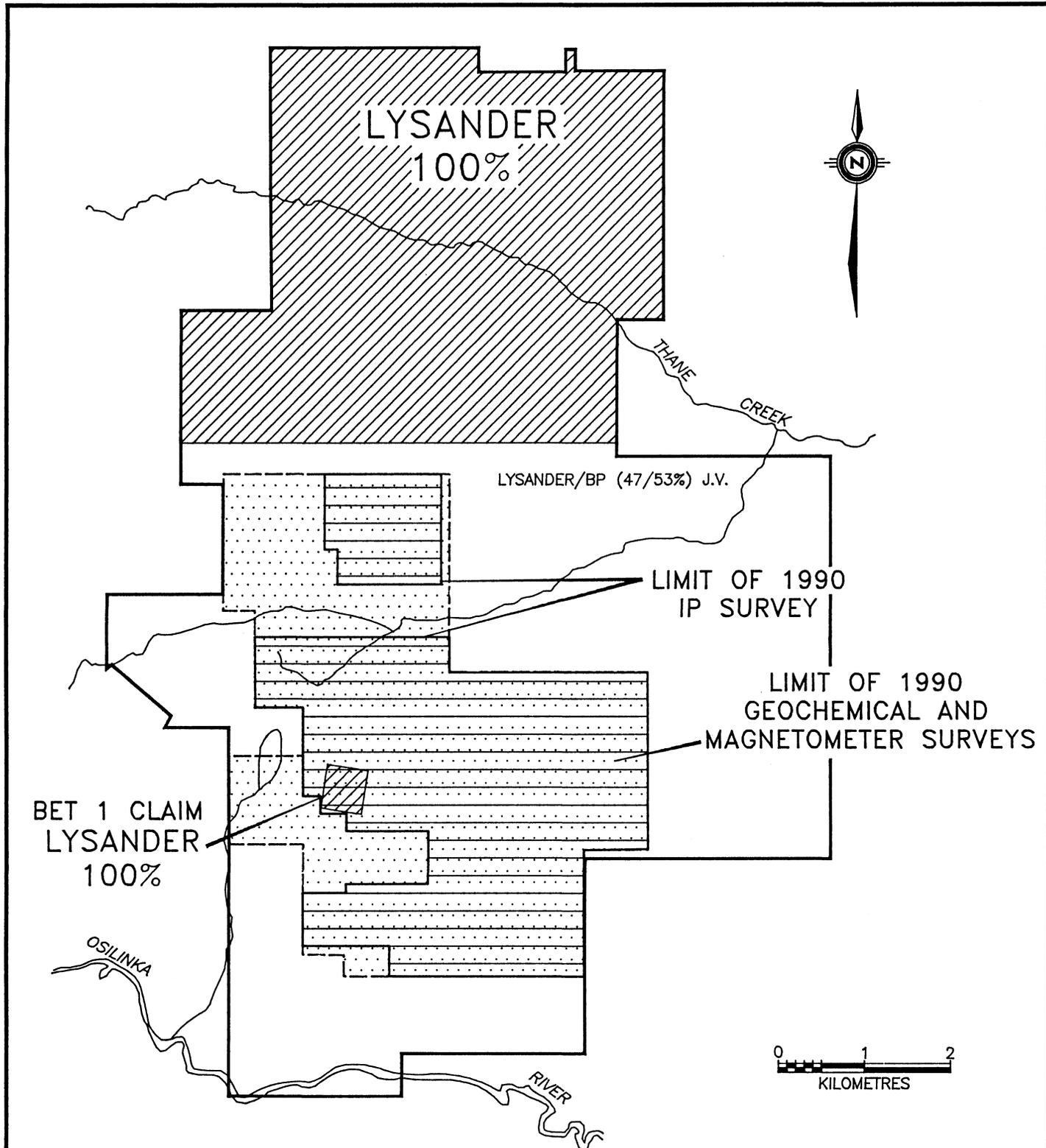
MT. MILLIGAN GOLD-COPPER SOIL
 GEOCHEMICAL ANOMALIES DRAWN TO
 SAME SCALE AS CAT MOUNTAIN ON
 ADJACENT PAGE



MT. MILLIGAN INDUCED POLARIZATION DRAWN TO THE SAME
SCALE AS CAT MOUNTAIN ON THE ADJACENT PAGE

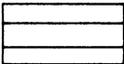


Prepared by: RWR Mineral Graphics Ltd.



LEGEND

 LIMIT OF 1990 GEOCHEMICAL AND MAGNETOMETER SURVEYS

 LIMIT OF 1990 IP SURVEY

LYSANDER GOLD CORPORATION
 BP RESOURCES CANADA LIMITED

CAT MOUNTAIN PROJECT

CLAIM MAP
 SHOWING SURVEY AREAS

LYSANDER GOLD CORPORATION

VSE Symbol: LYS

NEWS RELEASE

For Immediate Release

October 12, 1990

POTENTIAL OF CAT MOUNTAIN GOLD/COPPER PROSPECT ENHANCED BY 1990 TRENCHING AND DRILLING PROGRAMS

Lou Duarte, President of *Lysander Gold Corporation*, announces excellent results from the recently completed trenching program conducted at Lysander's 100%-owned Bet Claim on Cat Mountain, Omineca Division, British Columbia.

Trenches were excavated using a 1.2 cu. yd. Kobelco excavator. Samples ranged in grade from 0.12% to 4.42% copper and up to 0.04 oz. gold per ton. Detailed results are shown on the accompanying table and diagram.

Extensive copper mineralization is associated with epidote-K feldspar alteration in widespread and multiple fracture-shear zones developed within volcanic rocks and a syenitic intrusive. The shear zones generally strike north-south and have been traced by trenching over a strike length of 1500 feet. The zones which are faulted off to the south, are open to the north, west and east. The copper sulphide minerals identified include bornite and chalcopyrite.

These trench results extend the mineralized zone tested by the 1989 and 1990 drilling programs. Drill results included the following previously reported intersections.

HOLE NUMBER	INTERVAL FROM-TO	INTERVAL FEET	COPPER %	GOLD OZ/TON
89-1	39-156	117	0.18	0.042
89-4	75-173	98	0.20	0.015
90-1	10-331	321	0.12	0.035
90-3	10-253	243	0.53	0.01

The magnetite-pyrite veins which are commonly associated with gold and copper mineralization are believed to represent expressions of more extensive gold/copper porphyry systems that are currently undergoing exploration by *BP Resources Canada Limited* on the BP/Lysander Joint Venture lands.

Lysander's consultant, Mark Rebagliati, P.Eng., has reported that the alteration and style of sulphide mineralization in hole 90-14 on the Joint Venture ground to the east of Cat Mountain, where extensive IP anomalies are being developed, are compatible with the fringe area of a large mineralized auriferous porphyry copper system.

The results of the major geophysical and geochemical program conducted this summer by the Joint Venture over a large area to the south, east and north of Cat Mountain are being compiled and the results of this data synthesis will be reported when available.

1990 TRENCH RESULTS

<u>TRENCH NO.</u>	<u>INTERVAL FEET</u>	<u>COPPER %</u>	<u>GOLD OZ/TON</u>
TR33	19.7	0.12	-
TR33	9.8	0.12	0.04
TR33	3.9	1.12	tr.
TR33	100.0	0.42	-
TR33	39.4	1.46	tr.
TR45	9.8	0.54	tr.
TR45	49.2	2.07	0.04
TR46	6.5	0.36	tr.
TR47	24.3	0.34	tr.
TR48	37.7	2.04	tr.
TR49	6.6	4.42	-
TR49	6.6	1.30	-
TR50	16.4	2.55	tr.
TR51	19.7	0.26	-
TR51	23.0	0.71	-
TR52	19.7	0.12	-
TR52	18.7	1.36	-
TR53	39.4	0.24	tr.
TR53	19.7	0.14	tr.
TR53	193.5	0.65	tr.
TR54	44.3	0.38	tr.
TR55	29.5	0.47	tr.
TR56	33.8	0.87	tr.
TR57	59.0	0.47	tr.
TR57	13.1	0.20	0.01
TR57	88.6	0.56	-
TR58	19.7	0.27	0.03
TR59	42.6	0.48	-
TR59	6.6	0.22	tr.
TR59	19.7	0.15	-
TR59	6.6	0.19	-

All assays have been completed by atomic absorption technique with gold analyses by acid leach/AA from 10 gm. samples.

ON BEHALF OF THE BOARD OF DIRECTORS

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

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**LYSANDER
100%**



*Thane
Creek*

LYSANDER / BP (47/53%) J.V.

**NORTH ZONE
(Mag, Au, Cu)**

**EAST ZONE
(As, Au, Cu)**

**CAT MTN.
(Au, Cu, Mag)**

**BET 1
LYSANDER
100%**

**SOUTH ZONE
(Mag, Cu, Au)**

River

*Osslin
Rd*

**LYSANDER GOLD CORP.
CAT CLAIMS
EXPLORATION TARGETS**



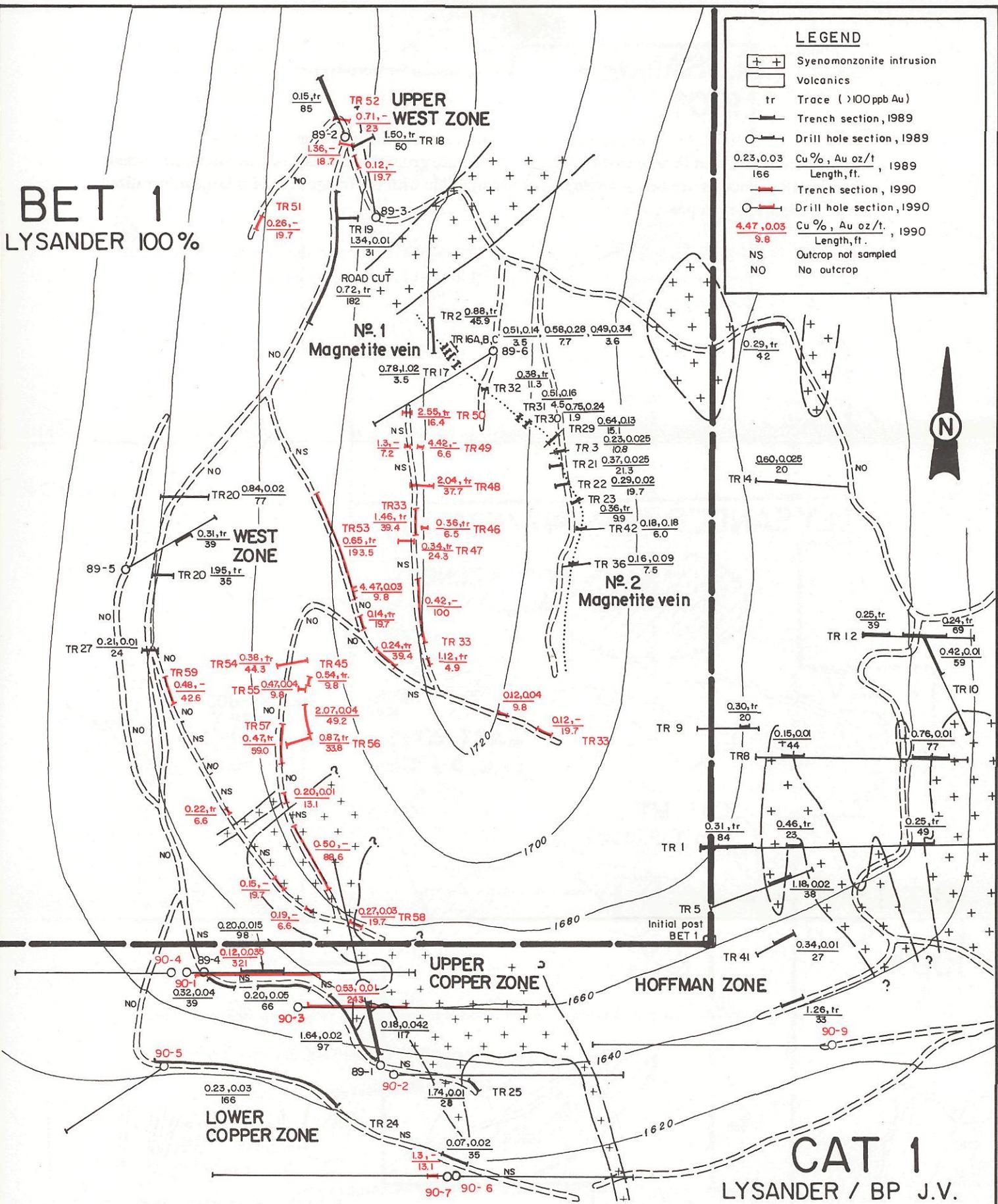
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OMINECA M.D., B.C. OCT. 1990

BET 1
LYSANDER 100%

LEGEND

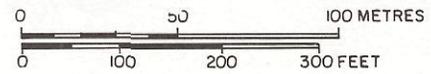
- + Syenomonzonite intrusion
- Volcanics
- tr Trace (>100ppb Au)
- Trench section, 1989
- Drill hole section, 1989
- $\frac{0.23, 0.03}{166}$ Cu%, Au oz/t, 1989 Length, ft.
- Trench section, 1990
- Drill hole section, 1990
- $\frac{4.47, 0.03}{9.8}$ Cu%, Au oz/t, 1990 Length, ft.
- NS Outcrop not sampled
- NO No outcrop



LYSANDER GOLD CORPORATION

CAT 1
LYSANDER / BP J.V.

V.S.E. SYMBOL: LYS
October 1990



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VSE Trading Symbol: LYS
September 4, 1990

For Immediate Release

The Board of Directors of Lysander Gold Corporation is pleased to announce the appointment of David R. Williamson , MSc, ACSM, DIC, MIMM, CEng as a Director of the Company.

Mr. Williamson qualified as a mining engineer from the Camborne School of Mines in England and later obtained a Master of Science degree in mining engineering from the Royal School of Mines in London. He spent the first ten years of his career mining iron ore in Sierra Leone and tin in Malaysia, where he rose to manage two of the world's largest tin mines. Returning to the UK in 1973, he became a mining analyst with a leading firm of London stockbrokers.

In 1977 he founded his own company in association with a major commodity trading organization and spent the next five years researching and trading the metal markets. He then joined Shearson Lehman Hutton and formed their internationally recognized metal and mining research team. In 1987 he was made an Executive Director of Shearson and a Director of Shearson Lehman Hutton Commodities.

In September, 1989, Mr. Williamson left Shearson and formed his own company, David Williamson Associates Ltd., financial consultants to the mining industry and publishers of "The International Mining Review" , based in London.

Andrew Milligan, Chairman

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



VSE Trading Symbol: LYS
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.

....2

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.

3.

Lysander Gold Corporation

August 23, 1990

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



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



VSE Trading Symbol: LYS
July 13, 1990

For Immediate Release

NEW ANOMALIES DISCOVERED IN SOUTH ZONE

Lou Duarte, President of Lysander Gold Corporation, announces positive initial results from the exploration program now under-way at the CAT Mountain Joint Venture with BP Resources Canada Limited.

During June, 22 line kilometers of surface work consisting of line cutting, ground magnetics, IP and geochemical soil sampling was completed in the South Zone in the valley to the south of the original CAT Mountain Zone.

As a result of high coincident magnetic, IP and geochemical values, an anomaly has been identified and extended on the northwest portion of the South Zone, approximately 1 kilometer south of hole 89-4 in the CAT Mountain Zone. Values range up to 3000 ppm copper and 500 ppb gold over a width of 500 meters.

A further target in the northeast of the South Zone has also been identified as a result of coincident values. This target, which is located 2 kilometers southeast of Hole 89-4, extends over an area at least 600 meters by 400 meters and is open to the east and north. Soil samples run up to 1300 ppm copper and 500 ppb gold. The South Zone grid will be extended to define the full extent of this anomaly.

At the southeast corner of the grid, a geochemical and IP anomaly is developing adjacent to a major magnetic feature. The grid needs to be extended to both east and south to fully evaluate this discovery.

BP, as operator, has reported that three drill holes have been completed in the Upper Copper Zone to a depth of 500 feet each. Cores will be sent to Vancouver next week for analysis. Drilling is continuing.

On Behalf of the Board of Directors,
LYSANDER GOLD CORPORATION



Lou Duarte,
President
(604) 681-8069

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

Alkaline Cu-Au porphyries

The Model

The gold content of copper mineralized alkaline intrusive porphyry deposits can be appreciable. In British Columbia during the 1960's and 1970's, many were discovered and developed for Cu content and Mo (by-product). Evaluation of the Mount Milligan property in 1988-89 for Au potential has led to major exploration activity.

Mineralization is contained in altered andesites and basalts adjacent to an alkaline plug. The batholith and associated plugs, one of which is related to the Mount Milligan deposit, are readily apparent on aeromagnetic maps. Ore is hosted within rocks exhibiting potassic alteration, accompanied by secondary magnetite. Propylitic alteration extends up to 3 km beyond the margins of the alkaline stock.

Mount Milligan

Mount Milligan (Fig. 1) is an alkaline Cu-Au porphyry deposit owned by Continental Gold Corporation (70%) and BP Resources (30%) in central British Columbia. The deposit exceeds 300 million tons of mineral reserves, containing over 5 million oz. of gold and 2 billion lbs. of Cu (0.3% Cu and 0.02 opt Au). The Mount Milligan deposit is flat lying and measures 1500 m (4500 ft.) long by 1030 m (3100 ft.) wide and up to 300 m (880 ft.) thick. Seven high grade veins averaging 10ppm (0.3 opt) Au radiate outwards beyond the Mount Milligan deposit. A second zone, known as the Southern Star deposit, as yet not fully delineated, is 900 m (2700 ft.) long and 670 m (2000 ft.) wide.

Claims were acquired in 1984, over a Cu prospect first examined in the early 1970's, on the basis of strong soil geochemical responses (Fig. 2). A portion of this data was published (by the author, then

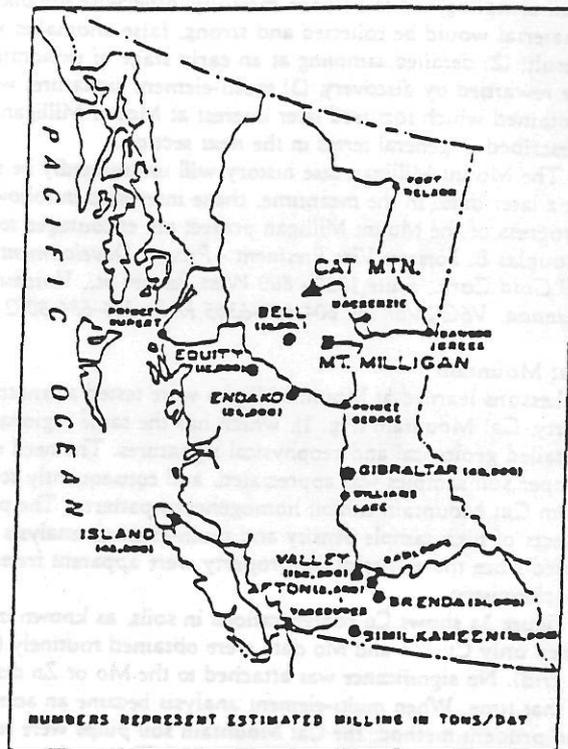


Figure 1. Location of Mount Milligan and Cat Mountain Properties

with BP Resources Canada Limited) in *Reviews in Economic Geology*, Volume 3, on pages 62 and 63. A reconnaissance stream sediment survey, conducted by the British Columbia government and completed in 1983, also indicated an exceptionally strong Cu anomaly.

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Stan Hoffman, Ph.D.
Consulting Geochemist

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Message (604) 731-6692
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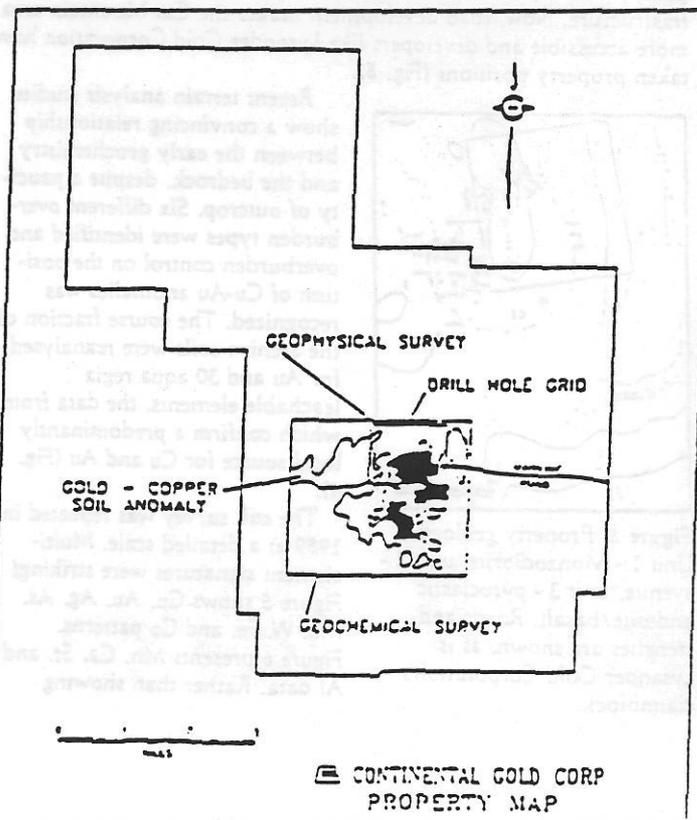


Figure 2. Soil geochemical anomalies averaging 50 ppb Au and 200 ppm Cu at Mount Milligan. The Mount Milligan deposit is the dark area to the north; the Southern Star deposit is the dark area to the south.

Three geochemical lessons were learned at Mount Milligan: (1) soil sampling had to be done carefully, otherwise organic-rich material would be collected and strong, false anomalies would result; (2) detailed sampling at an early stage of exploration could be rewarded by discovery; (3) multi-element signatures were obtained which focussed later interest at Mount Milligan. These are described in general terms in the next section.

The Mount Milligan case history will undoubtedly be published at a later date. In the meantime, those interested in following the progress of the Mount Milligan project are encouraged to write to: Douglas B. Forster, Vice President - Project Development, Continental Gold Corp., Suite 1020 - 800 West Pender St., Vancouver, B. C., Canada, V6C 2V6. Tel: 604-684-6365 FAX: 604-684-8092

Cat Mountain

Lessons learned at Mount Milligan were tested at another BP property, Cat Mountain (Fig. 1), which has the same regional and detailed geological and geophysical signatures. The need to collect proper soil samples was appreciated, and consequently soil data from Cat Mountain exhibit homogeneous patterns. The positive effects of high sample density and multi-element analysis should be noted since the merits of the property were apparent from the geochemistry.

Figure 3a shows Cu concentrations in soils, as known in 1975, when only Cu, Zn and Mo data were obtained routinely (60 X 120 m grid). No significance was attached to the Mo or Zn distributions at that time. When multi-element analysis became an acceptable and prudent method, the Cat Mountain soil pulps were reanalysed in 1984 to assess precious metal potential. The resulting gold anomaly (Fig. 3b) was large and exhibited exceptional contrast.

Unfortunately for Cat Mountain, 1984 was also the year BP discovered Mount Milligan. Both properties have comparable soil geochemical signatures, but Mount Milligan was closer to infrastructure. Now, road development makes the Cat Mountain area more accessible and developers like Lysander Gold Corporation have taken property positions (Fig. 8).

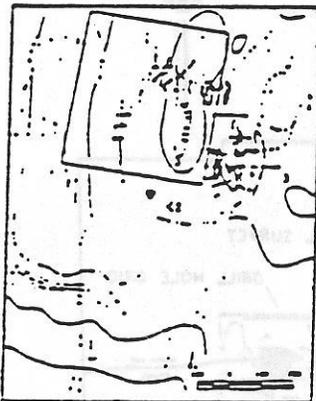


Figure 8. Property geology. Unit 1 - Monzodiorite, unit 2 - syenite, unit 3 - pyroclastic andesite/basalt. Roads and trenches are shown, as is Lysander Gold Corporation's claim block.

Recent terrain analysis studies show a convincing relationship between the early geochemistry and the bedrock, despite a paucity of outcrop. Six different overburden types were identified and overburden control on the position of Cu-Au anomalies was recognized. The coarse fraction of the archive soils were reanalysed for Au and 30 aqua regia leachable elements, the data from which confirm a predominantly local source for Cu and Au (Fig. 4).

The soil survey was repeated in 1989 at a detailed scale. Multi-element signatures were striking! Figure 5 shows Cu, Au, Ag, As, Mo, W, Fe, and Co patterns. Figure 6 presents Mn, Ca, Sr, and Al data. Rather than showing

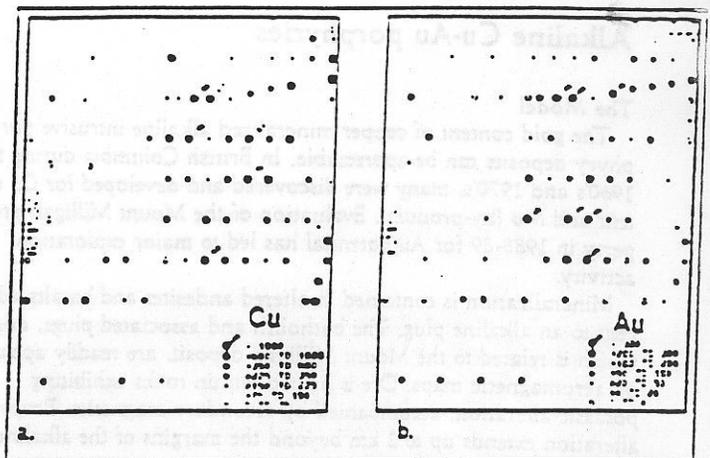


Figure 3. 1975 soil survey for Cu. Au was determined in 1984. (Cu - ppm, Au - ppb)

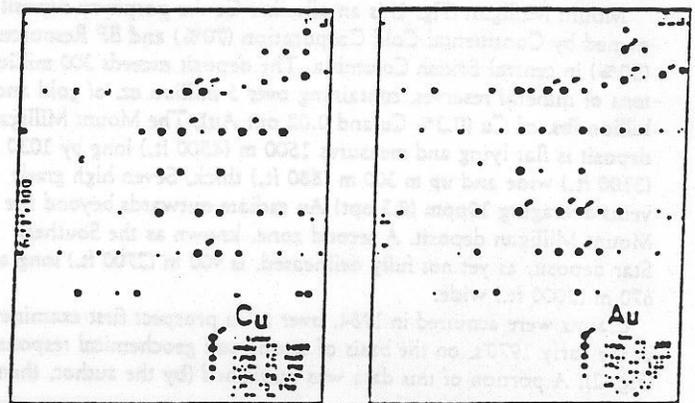


Figure 4. -10 + 80 mesh analysis of sample rejects collected in 1975. These confirm a local genesis of soil anomalies. (Cu - ppm, Au - ppb)

strong biases toward accumulations in organic matter and iron oxides, these elements identify a zone of carbonate and clay alteration. Alternatively, elements such as Ba (Fig. 7), and Zn, Pb, V, Mg, Ni, K, and P (not shown) reflect underlying bedrock. Even aqua regia leachable Th (Fig. 7) displays a pattern correlating with a prominent magnetic low.

Re-sampling of 840 sites cost US \$20,000.00. Was the money well spent? The question can be answered by comparing Figure 3 with Figures 5 through 7 and noting that costs for the high density, multi-element survey were only 25% higher than the earlier work depicted in Figure 3.

Readers interested in following the development of this property can contact: Mr. Lou Duarte, President, Lysander Gold Corporation, P.O. Box 49071, Three Bentall Centre, Suite 1283 - 595 Burrard St., Vancouver, B.C., Canada, V7X 1G4. Tel: 604-663-2346 FAX: 604-661-8069

Stan Hoffman
Prime Geochemical Methods
630 - 1199 West Pender Street
Vancouver, B.C., Canada V6E 2R1
Telephone (604) 664-0069



1989 ANNUAL REPORT TO THE SHAREHOLDERS

The recent resurgence of interest in the massive alkalic gold-copper porphyry systems in British Columbia has been timely for Lysander Gold Corporation.

For the past thirty years the huge deposits mined in the general area of the Quesnel Trough, including such honoured names as Copper Mountain, Afton, Gibraltar and Highland Valley have produced billions of pounds of copper and, as a by-product of the alkali porphyries, hundreds of thousands of ounces of gold. These and other major B.C. mines are depleting rapidly, with annual copper output from existing B.C. mines expected to decline from 350,000 tonnes in 1988 to 250,000 tonnes in 1995 and gold production dropping from some 600,000 ounces to 450,000 ounces during the same period.

This problem has been compounded by the depressed copper prices of the first half of the 1980's which severely inhibited exploration in the province. In the latter part of the decade, however, it became apparent that gold in the porphyry environment could become the primary economic target, with concomitant copper production.

The rapid exploration and development of the gold-copper deposits at Mount Milligan and Mount Polley, all the way through the Quesnel Trough to Galore Creek and Sulphurets has attracted the interest of miners and investors alike.

The success which your company has already achieved in its 1989 program at the Cat Mountain and Bet prospects suggests that these properties may well rival and even surpass the potential evidenced by those more advanced projects.

The development of the Cat Mountain property, which consultant Dr. S. J. Hoffman describes as having "outstanding mineral potential" is largely being based upon the Mount Milligan model which it resembles closely. As at the date of writing, Continental Gold Corp. has announced drill-indicated reserves at Mount Milligan of 440 million tons, containing 6.35 million ounces of gold and 1.8 billion pounds of copper—a huge target for Lysander to emulate at Cat Mountain.

Lysander continued as operator of the Cat Mountain project throughout 1989. The results of the four phases of the program are detailed in the attached report. Upon completion of the expenditures required by the option agreement with BP Resources Canada Limited, BP becomes the operator of the joint venture on the following claims: Cat 1-9, Cat 11, 5 units of Cat 12, 5 units of Cat 10 and the Betty claims encompassing approximately 31 square kilometres, while Lysander retains a 100% interest in the Bet and most of the Cat 10, Cat 12 and all of the Cat 13-15 claims totalling approximately 21 square kilometres.

It is expected that the final definitive agreement with BP on the joint properties will be executed in May, 1990. After back-in rights, the respective interests will be 53% BP and 47% Lysander.

The joint venture partners have agreed upon a 2-phase exploration program for 1990 embodying total expenditures of \$1,200,000; \$550,000 in the first phase, followed by a further \$650,000 in phase two based on first phase results. The proposed program includes continuing geological and geophysical work in addition to extensive diamond drilling.

To finance operations during 1989, the company issued 514,284 flow-through shares to raise a total of \$160,000. Subsequent to the fiscal year end, a further \$74,800 was raised through exercise of Directors' options and \$200,000 by way of a unit offering of 400,000 shares to Teck Corporation at \$0.50 per unit. Teck has the right, until July 22, 1990, to exercise share purchase warrants for a further 200,000 shares at \$0.75 each. Additionally, Teck has the right of first purchase to provide equity funding for exploration and development of the Cat and Bet claims.

These transactions, together with 1989 expenditures credited to the company's future obligations to the joint venture, will ensure that funds are available for the first \$550,000 phase of the 1990 program as well as the work to be done on the wholly-owned claims. The company's subsequent commitment will depend on raising additional capital.

As a result of operations in previous years, the company still retains varying earned interests in certain claims in the Contwoyto district of the North West Territories. This area is quiescent at the present time and no activity is planned for the foreseeable future.

Overall, 1989 has proved to be an exceptionally good year for your company. At a time when most junior exploration companies have been struggling to survive, Lysander has acquired a prospect of outstanding merit. Work on the properties to this point has confirmed their tremendous potential and we look confidently to further major developments from the 1990 programs.

The positive convictions held by Lysander's management have been reinforced by the enthusiasm of our joint venture partner, BP Resources Canada Limited and the equity participation by Teck Corporation, whose far-sightedness is a watchword in the mining industry. We look forward to a busy and fruitful exploration season in the summer of 1990 and look forward equally to your continued support and participation.

On behalf of the Board of Directors

Andrew Milligan
Chairman

Lou Duarte
President and
Chief Executive Officer

AUDITORS' REPORT

To the Shareholders

Lysander Gold Corporation:

We have examined the balance sheet of Lysander Gold Corporation as at December 31, 1989 and the statements of loss and deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, B.C.
 March 28, 1990

Wong, Seims & Lee
 Chartered Accountants

LYSANDER GOLD CORPORATION
 Balance Sheet
 December 31, 1989

<u>Assets</u>	<u>1989</u>	<u>1988</u>
Current Assets		
Cash in banks and deposits	\$ 32,580	\$ 590,800
Accounts receivable	5,711	-
Resource expenditures recoverable	-	8,617
Deposit	1,000	-
	<u>39,291</u>	<u>599,417</u>
Investment in shares (Note 3)	24,470	24,470
Resource properties (Note 4)	1,288,812	1,071,068
Incorporation costs	1,858	1,858
	<u>1,354,431</u>	<u>1,696,813</u>
Total Assets		
<u>Liabilities and Shareholders' Equity</u>		
Current Liabilities		
Accounts payable	\$ 35,967	\$ 384,037
Shareholders' Equity		
Share Capital (Note 5)	1,690,329	1,521,713
Deficit	(371,865)	(208,937)
	<u>1,318,464</u>	<u>1,312,776</u>
Total Liabilities and Shareholders' Equity	<u>\$ 1,354,431</u>	<u>\$ 1,696,813</u>

	<u>1989</u>	<u>1988</u>
Income		
Interest income	\$ 20,150	\$ 33,671
Expenses		
Administrative and secretarial	1,495	5,502
Advertising and promotion	18,578	1,835
Brokerage commissions	-	19,400
Engineering and consulting fees	1,000	13,549
Legal and audit	16,886	14,338
Listing and filing fees	5,796	3,956
Management fees	30,000	30,000
Office and miscellaneous	3,956	3,380
Photocopying and printing	354	326
Rent	2,388	3,449
Telephone	714	1,113
Transfer fees	3,170	4,813
Travel	-	1,336
	<u>84,337</u>	<u>107,997</u>
Expense Recovery	(860)	(4,679)
Net Expenses	<u>83,477</u>	<u>103,318</u>
Exploration costs written off	99,601	-
	<u>183,078</u>	<u>-</u>
Net loss for the year	(162,928)	(69,647)
Deficit, beginning of the year	(208,937)	(139,290)
Deficit, end of the year	<u>\$ (371,865)</u>	<u>\$ (208,937)</u>

LYSANDER GOLD CORPORATION
 Statement of Changes in Financial Position
 For the Year Ended December 31, 1989

	<u>1989</u>	<u>1988</u>
Operating Activities:		
Net loss for the year	\$(162,928)	\$ (69,647)
Net change in non-cash working capital items	(255,180)	(111,191)
	<u>(418,108)</u>	<u>(180,838)</u>
Financing Activities		
Shares issued	168,616	499,821
Investing Activities:		
Investment in shares	-	(24,470)
Resource properties	(308,728)	(397,607)
	<u>(308,728)</u>	<u>(422,077)</u>
Change in cash for the year	(558,220)	(103,094)
Cash, beginning of the year	590,800	693,894
Cash, end of the year	<u>\$ 32,580</u>	<u>\$ 590,800</u>

Approved by the Board:

[Signature] Director
[Signature] Director

LYSANDER GOLD CORPORATION
Notes to the Financial Statements
December 31, 1989

1. NATURE OF OPERATIONS

The company, through joint ventures, is in the process of exploring its resource properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for resource properties and related deferred costs is dependent upon the discovery of economically recoverable reserves; confirmation of the company's interest in the underlying mineral claims in accordance with industry practice; the ability of the company to obtain necessary financing to complete the development; and upon future profitable production.

2. SIGNIFICANT ACCOUNTING POLICIES

a) JOINT VENTURES

The company's resource activities are conducted jointly with others. These financial statements reflect only the company's proportionate interest in such activities.

b) RESOURCE PROPERTIES AND DEFERRED COSTS

The company accounts for its resource properties whereby all costs relative to the acquisition of, exploration for and development of these properties are capitalized by property. If a property is abandoned, capitalized costs will be charged to operations in the year of abandonment. If a property is brought into production, capitalized costs will be amortized on the unit of production basis.

c) FLOW-THROUGH COMMON SHARES

In accordance with the Income Tax Act, flow-through shares are issued and share capital credited when the subscriptions are received.

3. INVESTMENT IN SHARES

	Cost	Market Value Dec. 31, 1989
88,000 shares O.P. Resources Ltd.	\$ 24,470	\$ 7,040
	=====	=====

4. RESOURCE PROPERTIES

	1989	1988
Contwoyto	\$ 980,084	\$ 1,079,685
CAT & BET	307,728	-
Betty	1,000	-
	-----	-----
	\$ 1,288,812	\$ 1,079,685
	=====	=====

(a) Contwoyto mining properties

On February 17, 1987, the company entered into agreements with Bow Valley Industries Ltd. (BVI), whereby BVI agrees to grant Lysander the option to acquire a percentage of BVI's interest in fourteen groups of mining claims in the Contwoyto area. The company has 10% of BVI's interest on eleven claims, a 30% interest (50% of BVI's) in the OP Resources claims and has until December 31, 1990 to spend at least \$ 1,000,000 on either of the Aber North or Aber South claims to increase its interest from 10% to 50% in that property on which the expenditure was incurred, with BVI's interest reducing to 25%. The company has incurred to-date \$ 76,606 and \$ 225,901 on the Aber North and Aber South claims, respectively. The company has no plans to spend funds on these claims in 1990 and has abandoned four of the eleven claims with the costs relating thereto charged to operations.

(b) CAT Property

On January 9, 1989 entered into an exploration agreement with BP Resources Canada Limited (BP), whereby the company has the option to earn a 50% working interest on the CAT 1 and CAT 2 claims located in the Onineca Mining Division by spending \$ 150,000 on the property by January 9, 1991 with a minimum of \$ 50,000 spent in the first year.

Upon written acknowledgement by BP that the company has earned a 50% interest, a Joint Venture Agreement will be entered into and BP has the option of becoming the Manager so long as BP has a working interest of 50% or more. BP also has 45 days to exercise its right to purchase a 10% working interest from the company by funding, on behalf of the company, the first \$ 60,000 of expenditures on a proposed program. The company has given written notice to BP that it has incurred at least \$ 100,000 of exploration expenditures on these claims.

The company has secured additional claims in the CAT area. BP has exercised its right to acquire its prorata share, initially 50%, to certain of these claims pursuant to the agreement.

(c) BET claim

On February 15, 1989 the company acquired an option on the BET 1 claim located within the CAT 1 claim. The option period is for three years from April 14, 1989 with initial payment of \$ 5,000, \$ 5,000 each of twelve and twenty-four months thereafter and 50,000 common shares of the company thirty-six months thereafter. The company may accelerate these payments at its discretion.

(d) Betty claim

Pursuant to the agreement with BP (see Note 4(b)) the company exercised its right to acquire its prorata share, initially 50%, of BP's option on this claim.

5. SHARE CAPITAL

Authorized: 20,000,000 common shares without par value
 Issued:

	1989		1988	
	No. Shares	Amount	No. Shares	Amount
Flow-through	2,233,497	\$ 1,250,929	1,700,480	\$ 1,082,313
Escrow shares	375,000	3,750	750,000	7,500
Free trading	1,163,800	435,650	788,800	431,900
	-----	-----	-----	-----
	3,772,297	\$ 1,690,329	3,239,280	\$ 1,521,713
	-----	-----	-----	-----

a) One-half of the escrow shares have been reclassified to free trading shares pursuant to the escrow agreement.

b) On March 15, 1988 the company entered into an agreement for the distribution of up to 260,870 flow-through shares on the basis of one share for each \$.46 invested and expended on Canadian Exploration Expenses. During the year a further 18,733 shares (1988 - 220,480 shares) have been issued and \$ 8,617 (1988 - \$ 101,421) renounced pursuant to this agreement.

c) During the year the company completed a private placement of 200,000 shares at \$ 0.25 per share on a flow-through share basis. As at December 31, 1989, 200,000 shares have been issued. The expenditures were renounced prior to year end. (See Note 8 c))

d) During the year the company completed a private placement of 314,284 shares at \$ 0.35 per share on a flow-through share basis. As at December 31, 1989, 314,284 shares have been issued. The expenditures were renounced prior to year end. (See Note 8 c))

6. STOCK OPTIONS

a) The company has outstanding options granted to certain of its directors, officers and employees, entitling them to purchase up to 240,000 shares of the company, exercisable before March 31, 1992 at \$ 0.44 per share. During the year an option for 20,000 shares was cancelled and none of the remaining options were exercised. (See Note 8 d))

b) During the year, the company also granted options to certain of its directors, officers and employees, entitling them to purchase up to 40,000 and 30,000 shares of the company at \$ 0.25 per share and \$ 0.44 per share respectively. These options are exercisable before September 30, 1991 and October 31, 1991 respectively. As at December 31, 1989 none of these options have been exercised.

7. RELATED PARTY TRANSACTIONS

Remuneration of directors and senior officers for the year ended December 31, 1989 was \$ 30,000. (1988 - \$ 30,000)

8. SUBSEQUENT EVENTS

a) BVI has not submitted a proposed program for 1990 expenditures on the Contwoyto claims. As at the date of our audit report the company is not committed to any 1990 expenditures under the joint venture agreement.

b) The company and BP are currently negotiating the Joint Venture Agreement.

c) The company has applied for a CEIP Grant for the flow-through shares shares discussed in Notes 5 c) & 5 d), under the Canadian Exploration Incentive Program. This grant is to be paid to the subscribers of these shares.

d) As at the date of our audit report options for 170,000 shares at \$ 0.44 per share were exercised. In addition, the company granted options to certain of its directors and officers, entitling them to purchase up to 280,000 shares of the company at \$ 0.65 per share, exercisable before March 1, 1993.

e) On January 22, 1990 the company completed a private placement with Teck Corporation comprised of 400,000 units, each unit consisting of one common share and one non-transferable share purchase warrant at the price of \$ 0.50 per unit. Two warrants will entitle Teck to purchase one additional common share exercisable until July 22, 1990 at the price of \$ 0.75 per share. Teck has a right of first offer on any future equity financing for the CAT and BET properties by the company so long as Teck is the beneficial owner of not less than 50% of the shares of the company which it acquired or acquires from the company on a private placement basis. Teck has also entered into a Voting Trust Agreement with the company for a period of three years pursuant to the subscription agreement.



CORPORATE INFORMATION

OFFICERS

Andrew F. B. Milligan, Chairman
Lou M. Duarte, President and Chief Executive Officer
Ross O. Glanville, Secretary

DIRECTORS

Lou M. Duarte
Arthur T. Fisher
Ross O. Glanville
Bruce A. Kennedy
Andrew F. B. Milligan
Donald K. Mustard

CORPORATE ADDRESS

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Vancouver, B.C. V6E 3G2

AUDITORS

Wong, Seims & Lee
595 Burrard Street
Vancouver, B.C. V7X 1G4

TRANSFER AGENT

Montreal Trust
2nd Floor - 510 Burrard Street
Vancouver, B.C. V6C 3B9

BANK

The Bank of Montreal
595 Burrard Street
Vancouver, B.C. V7X 1L7

LISTING

Vancouver Stock Exchange: Symbol – LYS

CAPITALIZATION

Authorized: 20,000,000 shares
Issued: 4,342,297

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

* Date and Price of Hotline Recommendation.

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.

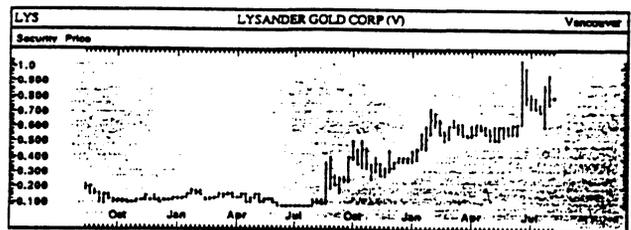
Lysander holds an option to earn a 100% interest in the BET claim and a 47% interest (BP Resources Canada is the operator and holds the remaining 53%) in the surrounding CAT claims, on Cat Mountain, 60 miles north of Continental Gold's Mt. Milligan deposit. Both projects are located within the Omineca 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.



LYSANDER GOLD CORPORATION, #910 -
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