



LYSANDER MINERALS CORPORATION

REVIEW OF COAL INVESTMENT OPPORTUNITY
IN UKRAINE

March 2010



Cautionary statements

- This presentation contains certain “forward-looking statements”, including but not limited to, the statements regarding the Company’s overall objectives and strategic plans, future commercial production, production targets, timetables, mine operating costs, capital expenditures, mineral reserve and resource estimates and outlook. Forward-looking statements express, as at the date of this presentation, the Company’s plans, estimates, forecasts, projections, expectations or beliefs as to future events or results. Forward-looking statements involve a number of risks and uncertainties, many of which are beyond the Company’s control, and there can be no assurance that such statements will prove to be accurate. Therefore actual results could differ materially from those anticipated in such statements. Risks and uncertainties that could cause results of future events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, factors associated with fluctuations in commodity market prices, mining industry risks and hazards, requirements of additional financing risk, risk of delays in construction, production or obtaining permits and other risks. The data contained herein is provided for informational purposes only. The reader is cautioned not to place undue reliance on these forward-looking statements. Unless otherwise specified, all financial figures in this presentation are in Canadian dollars.
- Resource estimates for the Verticalnaya coal mine were prepared by an independent third party consultant (IMC Group Consulting Ltd. of the United Kingdom) in accordance with Canadian National Instrument 43-101 (“NI 43-101”).
- Cautionary Note to United States Investors concerning estimates of Measured and Indicated Resources: This presentation contains the terms “measured” and “indicated” resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission (“SEC”) does not recognize them. United States investors are cautioned to not assume that all or any part of measured and indicated resources will ever be converted into mineral reserves.
- The TSX Venture Exchange (“TSX-V”) has not reviewed and does not accept responsibility for the adequacy or accuracy of this presentation. We seek safe harbour.

Overview of Opportunity

■ Lysander Minerals Corporation

- **Profile** – public company with a low cost profile, planning dynamic growth in coal.
- **Professional management team** – an experienced board of directors and management
- **Project** – significantly expand/reopen the Verticalnaya coal mine, with the aim of extracting 30 million tonnes of saleable coal within 15 years.

■ Verticalnaya Coal Mine, Lugansk, Ukraine

- Producer of anthracite, a high quality, premium priced coal, during the Soviet era.
- Substantial existing infrastructure.
- Fully permitted and ready to implement rehabilitation, upgrading and construction.

■ Investment fundamentals (NI 43-101 report, Sept 2008)

- **Reserves** - **27,200,000 tonnes*** (Proven 16.2Mt; Probable 11.0Mt)
- **Resources** - **76,200,000 tonnes** (Measured 57.3Mt; Indicated 18.9Mt)
 - * *Reserves are quoted after allowing for all losses*
 - ** *Resources are in-situ and included in reserves, with no allowance for losses*
- Average estimated operating cost - **US\$ 31** per saleable tonne
- NPV - **US\$352 million** at a 12% discount factor, US\$100/t coal
- IRR – **35.2%**

■ Lysander's first mover advantage

- Coal is abundant in Ukraine but has received little foreign direct investment.
- Lysander has initiated the exercise of the rights to acquire 100% of the Verticalnaya Mine, which when acquired will be the first substantial Ukrainian coal operation to be listed on an international exchange.

Lysander Company Overview

- **A small public company experiencing a period of dynamic growth**
- **Listed on TSX-V under symbol: LYM**
- **Project**
 - Verticalnaya coal mine expansion and reopening.
 - Exploration of copper and gold prospects in British Columbia have been farmed out to permit the Company to focus on coal and Ukraine.
- **Share structure**
 - Issued and outstanding common shares – 70,123,797
 - Fully diluted on exercise of options and warrants –87,675,964
 - Issued for 100% of East Coal – 27,000,000
 - This includes 22 million shares issued to Ukraine Coal Limited of London, which has become the Company's largest shareholder.
 - A US\$3 million 3 year note was issued on exercise of the East Coal options, which is convertible into 8 million shares.

Verticalnaya Mine

■ Area

23.73 hectares of the Lugansk (eastern) region of Ukraine.

■ History

- Produced high quality anthracite, prior to being placed on care and maintenance in 1998 due to the cessation of investment funds and general period of economic chaos which accompanied the breakdown of the Soviet Union.

■ Coal - Anthracite

- The highest rank of coal.
- Hard brittle, black, lustrous coal.
- Carbon content 92-98%.
- Low percentage volatile matter.

■ Current reserves and resources (NI 43-101 report, Sept 2008)

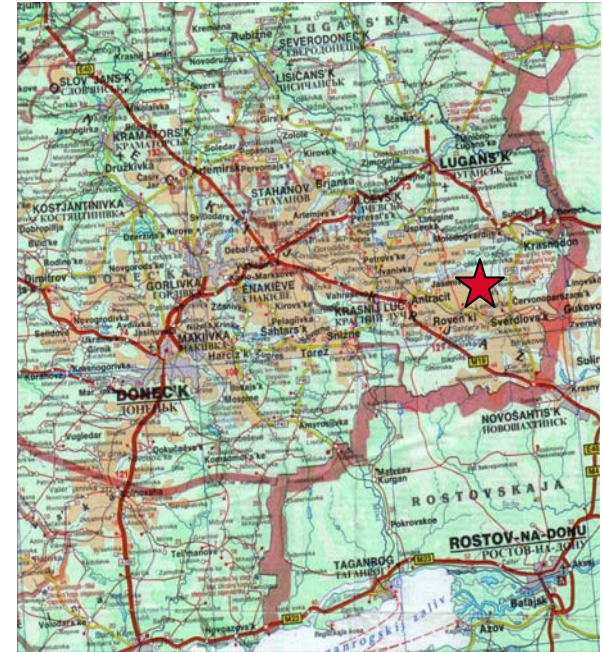
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* Reserves are quoted after allowing for all losses

** Resources are in-situ and included in reserves, with no allowance for losses

■ Non-complex geological structure

- Coal seams are contained in strong competent strata of predominantly siltstone and sandstone.
- Non-gassy (low methane) mine.



Verticalnaya Mine – Project Plans

- **Reinstate, significantly expand and reopen the Verticalnaya coal mine.**
- **Short term plans**
 - The Verticalnaya Mine is the first modern Ukrainian coal operation to be effectively listed on an international stock exchange.
 - Development work is planned to commence as quickly as possible.
 - Reinstate mine – technical, electrical and administrative improvements.
 - Create new access to the mine using inclined drifts with coal delivered by high speed conveyors for higher throughput.
 - Potential early production from **Verticalnaya North satellite operation**
 - Lysander postulates 1.4 - 1.5 million tonnes can be profitably mined over a 3 - 5 year period with low initial capital costs.
 - A NI 43-101 report with definitive estimates is in preparation, but current estimates suggest these costs can be contained within US\$14 – 15 million.
 - Longwall mining will use shear/plough equipment to mine seams > 0.7 m thick.
 - The first shearer longwall in the upper H_{1,1} seam, thickness over 1.2 meters, will produce during month 33 following commencement of the access drifts.
 - Introduce production by additional longwalls so as to ramp up production over a 4 year period to a planned amount in excess of 3 million tonnes per year.
- **Long term plans**
 - Extract a total of 30 million tonnes of saleable coal within 15 years.
 - Exploit position as early foreign entrant into Ukraine, by potentially developing further opportunities within the Donbass coal region.

Verticalnaya Mine – An Opportunity for Early Mine Operations

■ Substantial existing infrastructure and equipment

- Two deep shaft systems.
- Winding gear pumps, fans, electrical substation with two independent power supplies, water mains, sewage mains, railway link within 800m of mine site, administration building, operational mine boiler, and excellent access roads.

■ Ownership

- Lysander has acquired 100% of East Coal, the owner of Verticalnaya mine via the exercise of two options. The Company acquired 51% by purchasing Ukraine Energy Limited from Ukraine Coal Limited of London and the remaining 49% interest directly from East Coal shareholders.

■ Already acquired documentation

- Licenses, permits and detailed planning are substantially all ready.
- For the potential Verticalnaya North satellite operation, approvals based on detail design work are expected to take only a few months.

■ Investment fundamentals (NI 43-101 report, Sept 2008)

- Average estimated operating cost - US\$ 31 per saleable tonne
- Approximate average estimated coal price US\$100 per saleable tonne
- Net Present Value (NPV) - US\$352.1 million at a 12% discount factor
- Internal return on Investment (IRR) – 35.2%
- Projected net earnings
 - Year 5 - US\$ 75 million
 - Then increasing to over US\$111 million

Coal and the Ukrainian Economy

■ Coal supply

- Coal is the most abundant of Ukraine's energy resources. Ukraine possesses world class coal resources in the Donbass coal basin, located in its eastern part.
- Ukraine is among the top 7 countries in the world in terms of steam coal.
- Depreciation in regards to coal infrastructure is considered to be in excess of 70%, requiring improvement and underlining a significant political issue as coal is a major source of fuel.
- Coal imports from Russia supplement Ukraine's shortfall.

■ Coal demand

- Ukraine is itself a major consumer of coal. Local demand is fuelled by thermal power plants and the active Ukrainian steel industry as well as other industries. Electric power prices grew by 25% in 2008.
- For the first 9 months of 2008 a deficit of steam coal resulted in an increase of more than 60% in the price of coal.
- Most metallurgical companies have converted their gas supply to coal-fired fuel with A and T grades coal usage.
- Ukraine expects its steel production to increase by 4 million tons which will take tons out of the thermal market.

■ Labour supply

- Large available and experienced existing workforce in the mining industry.

■ Investment environment

- High pace of foreign investment into Ukraine, but little investment thus far into the mining sector, giving Lysander a unique position as an early entrant.

Lysander Board and Technical Management

	Position within Lysander	Experience
Bryce, M.A. Porter, C.A.	Director, President and CEO	<ul style="list-style-type: none"> ■ Chartered accountant. Harvard Business School Management program. ■ 15 years at corporate head office and subsidiaries of Alcan Aluminium Limited. ■ CFO of Roan Consolidated Mines in Zambia. ■ Vice President/CFO of Amax subsidiaries. ■ Director, CFO and Chairman of Black Swan Gold Mines Ltd. ■ Director/initial President of Primary Metals Inc./Chairman of Beralt tungsten mine in Portugal.
John Newton	Director	<ul style="list-style-type: none"> ■ Australian Merchant Banker. ■ Background – international stock brokering, accounting, and corporate finance. ■ Director of several listed companies in Australia and Canada. ■ Investment advisor across Australian and International financial sectors.
John Conlon	Director	<ul style="list-style-type: none"> ■ Active in the mining industry since 1972. ■ Owner of worldwide mining equipment supplier, Webcom Equipment Inc. ■ Founder of mining manufacture and repair company, Driftech Inc. ■ Director of several companies, including Western Canadian Coal Corp., Cambrian Mining PLC, Coal International PLC, and Xtract Energy PLC.
Colin Stocks	Director and Technical Director	<ul style="list-style-type: none"> ■ Colliery Manager at British Coal with 25 years of management experience. ■ Independent mining consultant for several companies and international locations including Russia and Ukraine. ■ Team leader for European funded projects for the Ukrainian Government's mine restructuring programmed. ■ 5 years with Ukraine Coal and ECC, managing feasibility studies and lease and license acquisitions for the reopening of Verticalnaya mine.

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