Paul Wojdak / Smithers

020261

Table Mtn

15249
15094

104P 019

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

STATEMENT OF MATERIAL FACTS #90/93
EFFECTIVE DATE: DECEMBER 1, 1993

(The Issuer is, under the Rules of the Exchange, a "Resource Company")

MINISTRY OF ENERGY, MINES and PETROLEUM RESOURCES
Rec'd DEC 20 1993
SMITHERS, B.C.

DEC 6 1993
Geological Survey Branch
MEMPR

CUSAC INDUSTRIES LTD.
Suite 510, 700 West Pender Street
Vancouver, British Columbia, V6C 1G8
Telephone: (604) 682-2421

NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

Suite 510, 700 West Pender Street, Vancouver, British Columbia, V6C 1G8

ADDRESS OF REGISTERED AND RECORDS OFFICE OF ISSUER

The R-M Trust Company
Mall Level, 1177 West Hastings Street
Vancouver, British Columbia, V6E 2K3

NAME AND ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

OFFERING: 700,000 Common Shares

	Estimated Price to Public (1)	Estimated Agent's Commission(2)	Estimated Net Proceeds to the Issuer (3)
Per Share	$ 0.85	$ 0.06375	$ 0.78625
Total	$595,000	$44,625	$550,375

(1) The Offering Price of the Shares will be determined in accordance with the rules of the Vancouver Stock Exchange by the average trading price of the Issuer's common shares plus the applicable premium with respect to the Shares.
(2) The Issuer has agreed to pay the Agent a commission of 7½% of the gross proceeds of the offering.
(3) Before deducting the costs of the Offering, estimated to be $41,000.

ADDITIONAL OFFERING

The Agent has agreed to purchase (the "Guarantee") any of the Shares which are not subscribed for on the Offering Day. In consideration of the Guarantee, the Agent will receive an Agent's Warrant to purchase 175,000 common shares. The Agent's Warrant is not exercisable unless the grant thereof has first been approved by the shareholders of the Issuer. Any common shares or Agent's Warrant acquired by the Agent under the Guarantee will be distributed under this Statement of Material Facts through the facilities of the

Vancouver Stock Exchange at the market price at the time of sale. Refer to "Plan of Distribution" for further details concerning the sale of these securities.

SHAREHOLDER OFFERING

This Statement of Material Facts also qualifies for sale to the public (1) up to 1,400,000 common shares of the Issuer presently owned by certain shareholders of the Issuer and (2) certain common shares of the Issuer issuable upon exercise of an election (the "EMI Election" - see further, Item I of this Statement of Material Facts - Plan of Distribution: Shareholder Offering") to convert on certain terms the principal and accrued interest due under a promissory note of the Issuer into common shares. For reasons explained elsewhere in this Statement of Material Facts, it is impossible to specify with certainty the number of common shares issuable upon exercise of the EMI Election. See further, Item I - Plan of Distribution: Shareholder Offering. None of the proceeds from the sale of these common shares by the holders thereof will accrue to the Issuer. The Sellers of any of the shares sold pursuant to the Shareholder Offering, this Offering will be required to pay the standard commission rates established by the Agent. Refer to "Plan of Distribution" for further details concerning the sale of these shares.

THE SECURITIES OFFERED HEREUNDER ARE SPECULATIVE IN NATURE. INFORMATION CONCERNING THE RISKS INVOLVED MAY BE OBTAINED BY REFERENCE TO THIS DOCUMENT; FURTHER CLARIFICATION, IF REQUIRED, MAY BE SOUGHT FROM A BROKER.

The securities offered hereby have not been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold in the United States or to U.S. persons unless the securities are registered under the U.S. Securities Act, or an exemption from the registration requirements of the U.S. Securities Act is available. The terms "United States" and "U.S. persons" are as defined in Regulation S made under the U.S. Securities Act.

AGENT

Canaccord Capital Corporation
P.O. Box 10337
Suite 2200
609 Granville Street
Vancouver, British Columbia
V7Y 1H2

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

The purchasers of any common shares sold under the Shareholder Offering will be required to pay commission rates at the Agent's rate or at the rate charged by other Exchange members.

The Shareholders owning outstanding Shares qualified for Sale by this Statement of Material Facts do not, as such, make any representations with respect to the securities offered hereunder and have not signed this Statement of Material Facts on behalf of the Issuer, on their own behalf as shareholders, or otherwise.

No consideration, in cash or otherwise, has been paid or is payable to a promoter, finder or any other person in connection with the Shareholder Offering, except as disclosed herein.

Directors, officers and other insiders of the Issuer may purchase common shares from the Shareholder Offering.

2. HOW THE NET PROCEEDS OF THE ISSUE ARE TO BE SPENT

The Issuer cannot estimate with certainty the price at which the 700,000 Shares comprising the Offering will be sold, but if they are sold at the estimated Offering Price of $0.85 per Share the Issuer will receive gross proceeds of $595,000 which, after deduction of commission to the Agent of $44,625, will net the Issuer $550,375. The Issuer had an estimated working capital as at November 15, 1993 of approximately $1,489,860, including current assets of $1,995,613, of which $1,780,819 represents the invested balance of the cash proceeds of a Mine Financing Loan of $2,600,000 to be used for the purpose of financing the start up phase of mining operations on the Issuer's Table Mountain Property. See Item III: Material Natural Resource Properties - Mine Financing. The Issuer intends to use the net proceeds of the Offering as follows:

To pay the estimated costs of the Offering:	$ 41,000
Agent's commission	$ 44,625
To pay outstanding current liabilities (excluding loans from directors)	$275,000[1]
To pay the costs of further exploration work on the Table Mountain Gold Property	$ 80,000[2]
To add to general working capital	$154,375
Total	**$595,000**

1 $75,000 of this amount represents partial satisfaction of an outstanding judgment obtained against the Issuer by a former director who has agreed to forbear from taking execution proceedings on certain conditions, one of which is that not less than $75,000 is paid out of the proceeds of the Offering on or before August 25, 1993. See further, Item 9 of this Statement of Material Facts (Particulars of Other Material Facts: Legal Proceedings). Approximately $100,000 represents amounts due as at the date of the Statement of Material Facts to EMI under the Access to Information Agreement referred to under Particulars of Other Material Facts: Access to Information Agreement with Energold Minerals Inc.

2 This represents the estimated cost of undertaking additional exploration and mine development work, including 3,000 feet of diamond drilling, recommended in the June 24, 1993 Addendum to the Westervelt Report referred to in Item 3 (Material Natural Resource Properties). The $20,000 variation from the Westervelt cost estimate of $100,000 for this work reflects a saving in the drilling contract.

None of the proceeds from the Offering will be used for the acquisition or development of other properties without obtaining the prior consent of the Exchange if required by its rules and Policies.

The Issuer will not receive any of the proceeds from the Shareholder Offering, all of which proceeds will accrue to the benefit of each of the Selling Shareholders. Any proceeds from the exercise of the Agent's Warrant will be added to the Issuer's working capital.

3. MATERIAL NATURAL RESOURCE PROPERTIES

SUMMARY OF MATERIAL MINING PROPERTIES

Group I Properties for which regulatory approval has been obtained under this statement of material facts.

Group II Presently held properties which are currently producing or being explored, or upon which exploration is planned within the next year.

Group III Other presently held properties upon which the Issuer's acquisition and exploration costs to date exceed $100,000.

Group	Property Name	Issuer's Acquisition and Exploration Costs to Date (in $)	Shares Issued to Date	Planned Expenditures from Funds Available upon Completion of the Offering
I				
II	Table Mountain Gold	$1,954,769	1,523,460	$80,000
III				

Group I Properties for which regulatory approval has been obtained under this statement of material facts.

None

Group II Presently held properties which are currently producing or being explored, or upon which exploration is planning within the next year.

The Table Mountain Gold Property

The Table Mountain Gold property (the "Property") is located in the Cassiar district of British Columbia, and was acquired by the Issuer from Energold Minerals Inc. ("EMI") on January 27, 1993 pursuant to an agreement dated December 16, 1992 as amended on January 27, 1993, and further amended on February 25, 1993, March 1, 1993, as of August 25, 1993, and as of September 23, 1993 (together the "EMI Agreement")

Certain claims have been abandoned and others added since the Property was acquired by the Issuer, and it now consists of 204 full and fractional mineral claims and Crown Grants plus 24 Placer claims (a total of 1050 units including the Placer claims), the hard rock claims covering an area of approximately 25,242 hectares (97.5 square miles). 70 units or fractions covering an area of 1750 hectares (6.8 square miles) are the subject of an option agreement in favour of International Taurus Resources Inc. There is a 300 ton per day gravity-flotation mill and surface underground mining equipment on the Property, but no mining operations are currently being carried on.

The Issuer earlier had an option to acquire the Property, in consideration for which it issued 125,436 shares, but the option was not exercised. Subsequently the issuer paid EMI $1,210,000 for the Property. This was paid and satisfied as to $10,000 in cash, the issuance to EMI of 1,400,000 shares of the Issuer at a deemed price of $0.50 per share (the "Acquisition Shares"), and the delivery of a promissory note in the principal amount of $500,000, due January 20, 1994 and bearing interest at a compounded monthly rate of 2% above the floating annual rate of interest from time to time of the Hongkong Bank of Canada (the "CIL Note"). As security for the performance of the Issuer's obligations under the CIL Note, pursuant to a Security Agreement dated January 27, 1993 granted EMI a security interest in all of its present and after acquired real property, including the assets comprising the Property, and in all of its present and after acquired personal property. By the amending agreement of September 23, 1993, EMI agreed to subordinate its security interest to that granted to the Capital Constellation Fund Corporation as security for a mine financing loan pursuant to the Mine Financing Agreement described below. As additional security, the Issuer has pursuant to a Royalty Deed dated January 27, 1993, as amended September 23, 1993, granted EMI an interest in Net Smelter Returns derived from operations on the Property, to a maximum of $500,000. EMI's interest in the Net Smelter Returns is 10% until the Issuer pays the amount due under the CIL Note (or EMI exercises the EMI Election referred to below). If either event occurs prior to March 1, 1994, the Issuer will cease to be under any further obligation to EMI. If either event occurs after March 1, 1994 but before June 1, 1994, EMI's interest in the Net Smelter Return will be 10% until occurrence of the event and 1% thereafter; and if either event occurs after June 1, 1994 its interest will be 10% until occurrence of the event, and 2% thereafter. If the interest of EMI in the Net Smelter Return is, pursuant to the foregoing provisions, reduced to 1% or 2%, that interest will continue in perpetuity, without limitation as to amount.

By the amending agreement dated as of August 25, 1993, as further amended by an amending agreement of September 23, 1993, the due date of the CIL Note was extended to the later of demand and February 20, 1994, and EMI was granted the right, subject to regulatory approval, to elect (the "EMI Election") convert the principal amount and accrued interest under the CIL Note into common shares of the Issuer at a deemed price equal to the Offering Price. The EMI Election is exercisable at any time prior to January 20, 1997. It is impossible to predict with certainty the number of shares of the Issuer that are issuable upon exercise by EMI of the EMI Election, since this is a function of (a) the Offering Price, (b) the time at which the EMI Election is made, and (c) the amount of interest accrued under the CIL Note. Prior shareholder approval will be sought if the number of common shares of the Issuer issuable upon exercise of the EMI Election is greater than 832,162.

The Royalty Deed permits the Issuer to assign, transfer or convey all of its interest in the Mill and the Mineral Properties to a third party who agrees in writing with EMI to be bound by the provisions of the Royalty Deed and the Security Agreement.

R.D. Westervelt, M.Sc., P. Eng., of Westervelt Engineering Ltd., North Vancouver, British Columbia, has prepared a Summary Review Report on the Table Mountain Gold Property. The Summary Review Report is dated March 28, 1993, with an Addendum Memorandum dated June 24, 1993 (together, the "Westervelt Report"). The following description is taken principally from the Westervelt Report, a copy of which may be inspected at the office of the Issuer during the period of the Offering and for 30 days thereafter.

PROPERTY, LOCATION AND ACCESS

The Property is located in the Liard Mining District in northern British Columbia 115 kilometres south of Watson Lake and 15 kilometres south-east of the recently closed asbestos operation at Cassiar. It is transected by the Watson Lake - Cassiar - Stewart Highway which provides good all weather access to Watson Lake. It presently consists of a total of 204 full and fractional mineral claims and Crown Grants plus 24 Placer claims (a total of 1050 units including the Placer claims), the hard rock claims covering an area of approximately 25,242 hectares. The mill is situated 1.5 kilometres by mine road south of the highway, and the major mine workings are located at higher elevations on the mountain south of the mill. They are linked to the mill by a series of mine haulage roads which provide reasonable access to most of the claims. (See Schedule "A" for location map).

The hard rock claims cover the broad McDame Creek valley (elevation 950 metres) and extend well southward covering much of Table Mountain (maximum elevation 1,985 metres). The terrain is typical of northern British Columbia - shallow lakes, swampy areas and stunted poplars with lodgepole pine covering the valley floors. Heavy lodgepole pine forests extend well up the slopes, gradually thinning at higher elevations into open buckbrush and alpine meadows. Although mountainous, the local terrain is generally moderate, glacial till cover is extensive and frequently deep, and natural rock exposures are sparse.

Most of the claims have had assessment work filed ahead for several years, with only a few requiring additional work in 1993-94.

The Property has been assembled over the years by direct staking, by purchase and through option agreements with prior owners. Purchase and option payments to date total $3,300,000 exclusive of any production royalties. Although most of the claims are now owned outright, some of them are subject to agreements (the "Underlying Agreements") requiring option payments and net smelter royalties or net profit interests. All of the Underlying Agreements are in good standing.

Current property holdings costs, including the services of the watchman, are estimated as follows:

	1993	1994	1995	1996
Option payments	$ 22,354	$ 22,354	$ 22,354	$ 22,354
Taxes and fees	70,000	70,000	70,000	70,000
Watchman	12,000	12,000	12,000	12,000
Reclamation	23,000	10,000	5,000	--
	$127,354	**$114,354**	**$109,354**	**$104,354**

GEOLOGY AND MINERALIZATION

The Table Mountain Gold property is situated within the Sylvester Allochthon, a series of overthrust fault blocks composed of Late Devonian to Lake Triassic metavolcanics, metasediments and ultramafic bodies.

Within the property area, the dominant rock types are andesites and cherty volcanics which have been overthrust by a thick, locally eroded, argillite sequence. Listwanite, a variably altered ultramafic, has commonly been emplaced as major sills and lenses along many of the shallow-dipping thrust planes.

With the exception of the Vollaug vein, all of the gold production has come from steeply-dipping, quartz-carbonate veins in the andesites immediately below the listwanites. The veins occupy major fault structures developed in the brittle andesite assemblage below the thrust zones. The Vollaug vein was emplaced directly along one of the major thrust structures within the argillite sequence and was accompanied by much graphite development.

Both along strike and down dip, the productive veins pinch and swell irregularly and fade out quite abruptly into fine stringer zones. Upwards, the veins and fault structures terminate almost immediately on encountering the overlying listwanite.

Three main stages of mineralization are recognized: an early, barren, bull-quartz stage, a mid-term well mineralized stage and a late term stage of carbonate veining and clay alteration. The productive veins are frequently superimposed on the earlier, barren veins and are characterized by multiple brecciation, some ribboning, an increased carbonate content and trace amounts of sulphides. Sulphides rarely exceed 2% with the dominant sulphide being pyrite along with occasional traces of chalcopyrite and sphalerite.

Although most of the gold production was in free form, visible gold is rarely seen in the highly productive northern veins. In contrast, the veins discovered in the southern part of the property (i.e. the Eileen, the Michelle High Grade and Bain veins) are frequently laced with spectacular pockets, smears and threads of coarse visible gold.

The higher grade gold values are concentrated in the upper portion of the veins close to the listwanites, with grade decreasing down plunge with depth. An apparent northwesterly, steeply dipping plunge of ore shoots have been recognized within several of the major veins with intervening lower grade material.

Post ore cross-faults and narrow but persistent basic dykes along the veins and fault structures are common features.

PRODUCTION HISTORY

During the 10 year period ending December 31, 1988, the Table Mountain Gold property produced 226,900 ounces of gold and 167,054 ounces of silver from the mining and milling of 572,411 tons of ore (an average recovered grade of 0.40 ounces Au and 0.29 ounces Ag per ton).

As outlined in the following table, considerable variation was experienced in the annual tonnage treated, in the feed grade, and in the ounces produced.

PRODUCTION RECORD

YEAR	TONS	MILL HEAD GRADE		RECOVERY (%)		RECOVERED	
		Opt Au	Opt Ag	Au	Ag	oz Au	oz Ag
1979	31,845	0.61	0.67	95	88	18,500	18,717
1980	32,189	0.57	0.71	96	86	17,536	19,651
1981	38,245	0.37	0.21	96	83	13,539	6,650
1982	38,724	0.57	0.52	95	83	20,984	16,790
1983	69,497	0.52	0.45	94	86	34,099	26,868
1984	91,483	0.31	0.22	88	76	25,061	15,292
1985	68,835	0.31	0.26	91	86	19,363	15,461
1986	27,167	0.94	0.36	95	83	24,262	8,092
1987	95,179	0.42	0.20	92	95	36,847	18,137
1988	79,247	0.22	N/A	96	N/A	16,709	21,396
	572,411	**0.42**		**93**		**266,900**	**167,054**

The drop in grade and recovery in 1984 and 1985 reflects the large tonnage of lower-grade graphitic vein material being mined both surface and underground from the Vollaug structure. The low tonnage in 1986 reflects the production loss due to the mill fire, but this was largely offset by the significantly higher mill feed grade originating from the mining of the Eileen vein.

With the exception of the period when graphite with the Vollaug vein caused sliming problems, the mill operated very satisfactorily, with an average 95% gold recovery. Approximately 50-60% of the gold was in free form and was recovered directly as a table concentrate; the balance was tied up with the sulphides and was recovered in the flotation concentrate. Almost all the silver values were associated with the sulphides and were recovered in the flotation product.

All the major equipment required to resume surface and underground mining and milling operations has been retained on-site under the care of a watchman. In addition to the 300 ton per day concentrator, the equipment includes bulldozers, loaders, trucks, generators, compressors, underground locos and cars, ventilation fans and ancillary equipment and parts.

CURRENT RESERVES

(a) The Bain Vein

Exploration work following the mine closure in 1989 resulted in the discovery of the Bain vein within which two well-mineralized sections have been identified, separated by a 200 metre fault gap, and termed the East and West Bain areas. The Westervelt Report has calculated the reserves on both the East and West Bain areas, using standard engineering techniques, and concluded that the drill indicated probable reserve in the West Bain area is 34,741 tons averaging 0.687 opt Au. (0.502 Au. cut) with an average diluted thickness of 2.11 metres and 23,881 (17,423 cut) contained ounces of gold . For the East Bain area, the Westervelt Report calculated the drill indicated possible reserve at 22,120 tons averaging 0.565 opt Au (no cutting required) with an average diluted thickness of 2.06 metres, and 12,498 contained ounces of gold. The Westervelt Report noted that assuming a 95% mill recovery, a gold price of US$330/oz, and an exchange rate of $1.26, the West Bain reserves alone would have an in-place gross value of $9,433,234 (or $6,882,260 cut).

(b) The Heather Vein

Also discovered subsequent to the mine closure as the result of intensive drilling and trenching, the Heather vein has been identified as the lower limit of an ore-shoot with the main reserves and overlying listwanite having been removed by erosion. The Westervelt Report notes that no depth or lateral continuity has been found, but that surface sampling has confirmed a discontinuous mineralized vein over a strike length of 250 metres with widths up to 3.1 metres. It also notes that while assays have been erratic, three trenches have produced weighted average grades (uncut) of 7 metres along strike averaging 0.256 opt Au and 0.13 opt Ag over a width of 1.2 metres; 28 metres along strike averaging 0.249 opt Aug and 0.20 opt Ag over a width of 1.4 metres; and 12 metres along strike averaging 0.896 opt Au and 0.06 opt Ag over a width of 1.0 metre. The Westervelt Report concludes that "most of this structure is amenable to low-cost, open-cut, surface mining" and that, by selective mining of this zone to a depth of 6 metres, "a probable vein reserves of some 2000-3000 tons averaging 0.40 opt Au could be recovered (e.g.: about 1,000 ounces contained gold)"; and concludes that "assuming a 95% mill recovery and a gold price of $330 US/oz, this reserve would have an in-place gross value of $395,010."

ADDITIONAL POTENTIAL

The Westervelt Report notes that the Property "almost certainly hosts additional vein deposits which have yet to be discovered or developed. Several additional gold bearing veins have already been identified which remain to be evaluated and could provide future reserves. They are classified by the Westervelt Report into "Short Term Potential" reserves (i.e. reserves which might be discovered and delineated within one year) and "Medium Term Potential" reserves (i.e. those which might be discovered and delineated within two to ten years). The Westervelt Report cautions that while these potential reserves have been geologically inferred from a background of considerable experience with the Property, they are "highly speculative", and the discovery

and delineation of a major portion of them would require "a substantial commitment to an on-going exploration program over a period of years."
The Short Term Potential Reserves are identified as follows:

VEIN	TONS	GRADE (opt)	OUNCES
Bain - fault gap	23,000	0.60	13,800
Bain - west extension	33,000	0.60	19,800
Bain - parallel vein	13,000	0.60	7,800
Katherine - east extension	13,000	0.50	6,500
Katherine S - parallel vein	13,000	0.50	6,500
Christine Vein	30,000	0.45	13,500
Sky Vein	35,000	0.45	15,750
Thereasa Vein	30,000	0.25	7,500
TOTAL	**190,000**	**0.48**	**91,150**

The Medium Term Potential reserves are identified as follows:

VEIN	TONS	GRADE (opt)	OUNCES
Michelle High Grade	17,000	1.00	17,000
Big Structure	6,400	0.80	5,120
Eileen Extension	26,250	0.80	21,000
MHG - parallel S vein	50,000	0.70	35,000
Cool Veins	26,500	0.60	15,900
Hot - parallel vein	30,000	0.80	24,000
Jill - parallel vein	30,000	0.80	24,000
Bain East extension	100,000	0.60	60,000
Presunka	50,000	0.50	25,000
Other Cusac veins	60,000	0.60	36,000
Sky Vein	100,000	0.45	45,000
Christine vein	90,000	0.45	40,500
Thereasa vein	150,000	0.25	37,500
Davis east extension	30,000	0.45	13,500
Silver veins	80,000	0.22	17,600
(gold equivalent grade)			
TOTAL	**846,150**	**0.49**	**417,120**

See Schedule "B" for Property Map showing Main Vein Locations.

ECONOMIC CONSIDERATIONS

The Issuer has prepared a preliminary mine development plan for the West Bain zone. In summary, the plan calls for the complete underground mining of the West Bain reserve by:

(a) driving a 690' access decline at 15% grade northward to hit the structure at an elevation of approximately 1,200 metres;

(b) driving two declines at 15% grade from the bottom of the access decline easterly and westerly to undercut the reserves (total 650');

(c) driving three raises up the vein to the upper limit (550'); and

(d) mining of the entire reserve by shrinkage stoping.

Total cost of the development and mining is estimated at $4,061,010 ($3,384,175 plus 20% contingency) over a 12.5 month period commencing at the collaring of the adit.

MINE FINANCING

The Issuer has entered into a loan agreement dated September 7, 1993 together with certain related agreements dated as of September 23, 1993 (together, the "Mine Finance Agreement") with Capital Constellation Fund Corporation ("Capital Constellation Fund"), of Geneva , Switzerland, pursuant to which Capital Constellation Fund has agreed to advance the Canadian equivalent as at the date of advance of US$2,000,000 to be used for the purpose of financing the projected capital and operating costs incurred during an estimated 7-month start up phase to commercial production of at least 24,000 ounces of refined gold from the West Bain Vein. The principal amount of the loan bears interest at the rate of 8% per annum, payable monthly, and is repayable in eight equal instalments of US$250,000 commencing at the end of the seventh month following the date of advance. The obligations of the Issuer under the Mine Financing Agreement are secured by a promissory note dated September 23, 1993 and a general security agreement over all of its assets. Under the Mine Finance Agreement, the Issuer has covenanted to raise a minimum of US$2,000,000 in the 6 month period following advance of funds by Capital Constellation Fund subject to a right of first refusal in favour of Capital Constellation Fund to provide additional financing on the same terms as those provided for in the Mine Financing Agreement, except in respect of interest payable, which shall be at the then prevailing bank prime rate plus 2%. Pursuant to the Mine Finance Agreement, the Issuer has granted Capital Constellation a warrant to purchase 1,313,000 common shares exercisable at any time and from time to time prior to September 17, 1995, at an exercise price of $0.96 per common share.

Surface mining of the Heather vein would require the removal of about 10,000 tons of material at a total cost of $20,000. Approximately 5,000 tons (i.e. 1:1 dilution) would then be available for mill feed.

Both the Heather and Bain veins are readily accessible from the mill by private mining roads. Only the final half kilometre to the Bain vein will require some modest improvement to up-grade to heavy haulage standards. However, the economics of mining and milling the West Bain and Heather reserves can be estimated as follows:

		Uncut grade	Cut grade
In place value of reserve (at 95% gold recovery and $330 US/oz - exchange rate 1.26)			
West Bain		9,433,234	6,882,260
Heather		395,010	395,010
		$9,828,244	**$7,227,270**
Development and mining - West Bain	3,384,175		
Surface mining - Heather	20,000		
Haul to mill - 40,000 tons @ $4.00/ton	160,000		
Milling - 40,000 tons @ $28.00/ton	1,120,000		
Tailings disposal	100,000		
Assaying, concentrate haulage, refining	200,000		
Contingency on above - 20%	996,835		
	$5,981,010	5,981,010	5,981,010
Net Operating Profit		**$3,847,234**	**$1,246,260**
Net Operating Profit per ounce of gold produced		**$ 169.58**	**$ 75.29**

The Westervelt Report expresses the opinion that "the potential for finding further gold-bearing veins and reserves remains excellent."

The Issuer is currently exploring various possibilities of arranging suitable financing to permit the recommencement of mining and milling operations on the West Bain and Heather veins.

RECOMMENDED WORK PROGRAM

A two-phase underground program for the West Bain zone is recommended in the Westervelt Report:.

Phase One

Phase one will involve the driving of the 690' access decline, the easterly and westerly declines undercutting the reserves (total 650') and the completion of the three raises. All vein development should be muck sampled and channel sampled after each round with the vein material being systematically stockpiled. All samples should be assayed for metallic gold and silver. Depending on the gold distribution, this program should be adequate to prove up the reserve and should be completed in 2½ months. The cost of the Phase One Program, including a 20% contingency allowance, is estimated at $946,050.

Phase Two

Contingent upon favourable results from the Phase One program the Phase Two program would then involve the mining of the West Bain reserve by shrinkage stoping and the milling of all production. During this phase, the Heather vein would be mined, the tailings disposal area would be prepared, and a 600' continuation of the decline eastward to explore the fault gap area for additional reserves might be warranted. The Phase Two program - with the possible exception of the eastward exploration decline, should be completed in 10 months, at an estimated cost (including a 20% contingency allowance) of $5,176,260.

Program Cost Estimate

Total costs to carry out the above recommended program are estimated as follows:

Phase I - Underground exploration of West Bain vein

Total declines	$ 533,750	
Total raises	126,500	
Assaying	10,000	
General - Accounting, salaries, etc.		
2.5 months @ $47,250/month	118,125	
	788,375	
Allow 20% contingency	157,675	
Total	**$ 946,050**	$ 946,050

Phase II - Mining and milling of West Bain and Heather veins

Stope development	$ 208,300	
Stoping	1,925,000	
600 foot eastward decline @ $500/foot	300,000	
Assaying	8,000	
Surface mining	20,000	
Haul to mill - 40,000 tons @ $4.00/ton	160,000	
Milling - 40,000 tons @ $28.00/ton	1,120,000	
Tailings disposal	100,000	
General - Accounting, salaries, etc.		
10 months @ $47,250/month	472,250	
	4,313,550	
Allow 20% contingency	862,710	
	$ 5,176,260	$ 5,176,250

Concurrent Exploration Program

Geological Services	$ 27,000	
Trenching - 11 days @ $1,000/day	11,000	
Drilling - 13,563 feet @ $25/foot	339,075	
Geochem - 1,716 samples @ $36/sample	61,776	
Assaying	10,000	
Grid Preparation	2,000	
Travel, accommodation, truck rentals etc.	22,000	
Consulting, engineering	8,000	
Report	5,000	
	$ 485,851	
Allow 10% contingency	48,585	
	$ 534,436	$ 534,436

TOTAL PROGRAM, INCLUDING CONTINGENCY		**$ 6,656,746**

Recent and current exploration and development work

The Issuer has no immediate plans to undertake the recommended work programme. In the early spring of 1993, however, based on the recommendations in the Westervelt Report, a surface diamond drilling program was initiated on the West Bain zone and on a number of high priority exploration targets westerly from the Bain vein. A total of 12 diamond drill holes (953 metres - 3127 feet) have been completed at a cost of approximately $100,000 financed principally out of the proceeds of a flow through private placement completed in March 1993.

Six in-fill holes were drilled into the reserve area on the West Bain vein with a view to further defining the zone and guiding future mining development. With the exception of one hole which overshot the zone due to a surveying error, all holes encountered mineralized vein structure and confirmed earlier results both as to grade and thickness. The results show that the higher grades are in the upper portion of the vein, with the lower grades at greater depth as the mineralization fades out.

In addition, six holes were drilled in the Katherine-Bain grid area westerly from the Bain vein. Preliminary data from this drilling suggests a new mineralized zone containing two high-grade quartz veins. Additional drilling will be required to evaluate the reserve potential of this zone.

The June 24, 1993 Addendum to the Westervelt Report concludes that, in the light of the recent development work referred to above, no further drilling is required on the West Bain vein, which has now been sufficiently well defined. It recommends, however, that the balance of the exploration and mine development program should be carried out as recommended, and that an additional 3,000 feet of diamond drilling should be carried out, at an estimated cost of $100,000, for the purpose of further evaluating the newly discovered zone. The Issuer intends to allocate approximately $80,000 out of the proceeds of the Offering to undertake this additional drilling.

Group III Other presently held properties upon which the Issuer's acquisition and exploration costs to date exceed $100,000.

None

4. PARTICULARS OF NON-RESOURCE ASSETS

The Issuer holds the following material investments, at the following estimated, realizable values:

Name	Number of Shares	Market Value As of the Effective Date
Demand Technologies Ltd.	130,000 shares	$208,000[1]
Pacific Bay Street Systems Ltd.	63,000 shares	44,100
Alaskagold Mines Inc.	1,092,500 shares	20,500
Total		$272,600

1 These shares are subject to security interests in favour of third parties by way of collateral for the payment of outstanding indebtedness. A former director of the Issuer who has obtained a judgment against the Issuer has served a "stop-transfer" order on the transfer agent for these shares. See further, Item 9 of this Statement of Material Facts (Particulars of Other Material Facts - Legal Proceedings).

5. CORPORATE INFORMATION

The Issuer was incorporated under the name of Glen Copper Mines Limited pursuant to the laws of the Province of British Columbia by registration of its Memorandum and Articles on November 19, 1965. It changed its name to Cusac Industries Ltd. on January 18, 1974. The authorized capital of the Issuer presently consists of 100,000,000 common shares without par value, having been increased from 10,000,000 common shares on June 24, 1992. 11,055,818 common shares are issued and outstanding at the date of the Certificate contained in this Statement of Material Facts. In addition, as at the same date, an aggregate of 2,250,000 shares (excluding shares issuable upon the exercise of the EMI Election referred to in Item I - Plan of Distribution: Shareholders Offering) are reserved for issuance pursuant to outstanding incentive stock options (476,000 shares) and warrants (1,774,000 shares).

The Issuer's head office and the registered and records office are located at Suite 510, 700 West Pender Street, Vancouver, British Columbia. The shares of the Issuer are listed and posted for trading on the Vancouver Stock Exchange and The Toronto Stock Exchange, and are also quoted on the National Association of Securities Dealers Automated Quotation System in the United States.

All shares of the Issuer, including those contained in the Offering, are common shares. All shares of the Issuer rank equally as to dividends, voting powers and participation in assets and as to all other benefits which might accrue to the holder thereof. No share has been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provision for redemption, purchase for cancellation, surrender or sinking funds. Provisions as to the modifications, amendments or variations of such rights or such provisions are contained in the Company Act, British Columbia. Common shares carry one vote per common share at any shareholder meeting of the Issuer.

Since June 30, 1993, the date of the latest financial statements of the Issuer included in this Statement of Material Facts, the Issuer has issued 236,000 units at a deemed price of $0.90 per Unit by way of private placement to Mr. Guilford H. Brett, the President and a director of the Issuer, in consideration for cash advances made to and payments made on behalf of the Issuer. Each unit is comprised of one common share and one non-transferable share purchase warrant to acquire an additional 236,000 common shares at a price of $0.90 per share, exercisable at any time up to five years from the date of issuance of the units; and 255,000 shares pursuant to the exercise of employee stock options.

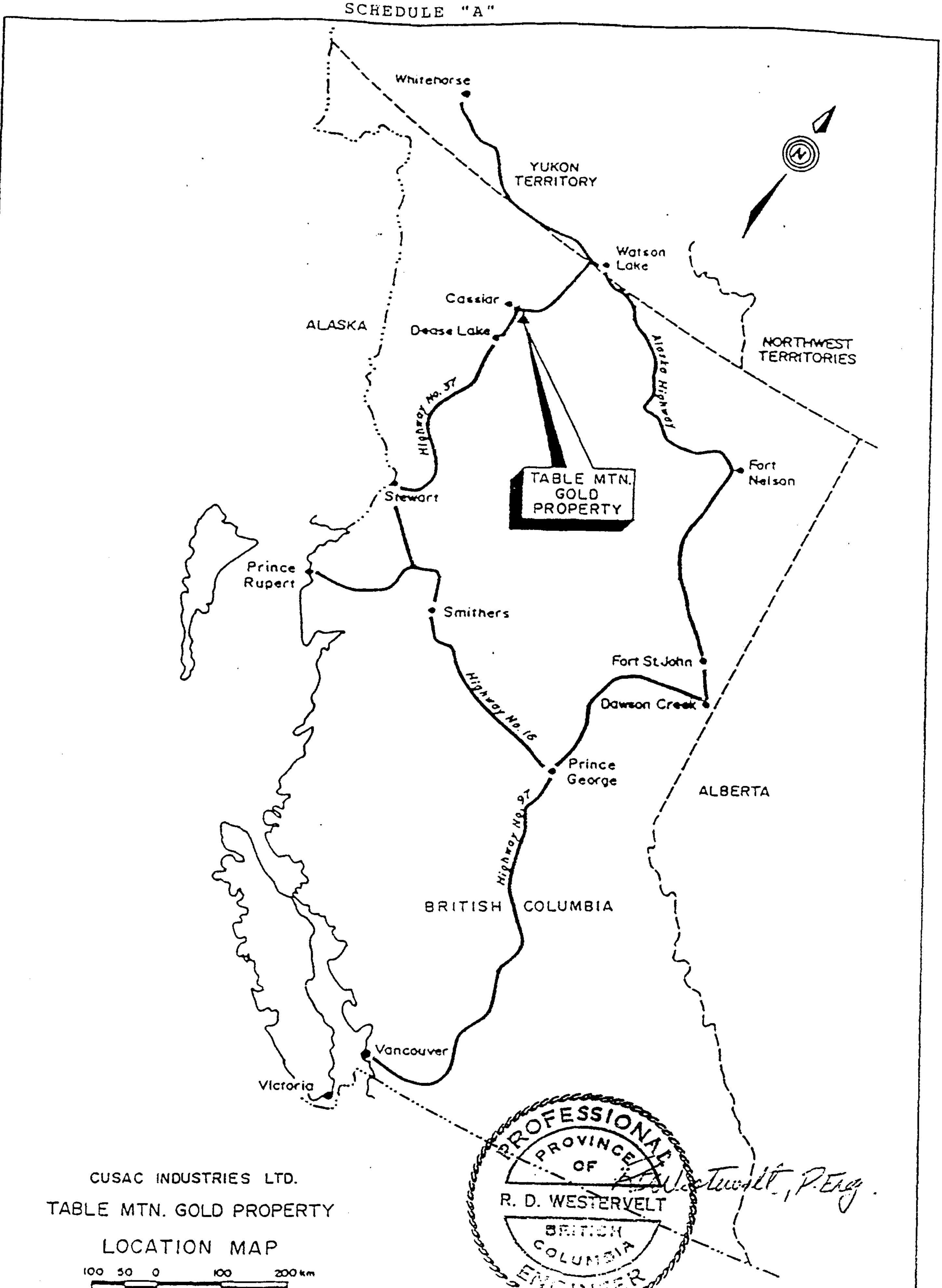
6. DIRECTORS, OFFICERS, PROMOTERS AND PERSONS HOLDING MORE THAN 10% OF THE ISSUED EQUITY SHARES

The full names, addresses, positions with the Issuer and chief occupations for the past five years of the directors, officers and promoters of the Issuer and the number of shares of the Issuer beneficially owned, directly or indirectly, by each are as follows:

Name, Address, and Position with Issuer	Shares of Issuer Beneficially Owned	Chief Occupation for Previous Five Years
Guilford H. Brett[1] 1435 Chartwell Drive West Vancouver, B.C. President and Director	568,102	President and director of Demand Technologies Ltd. and Pacific Bay Street Systems Ltd. and a director of Alaskagold Mines Inc.
Martin Sadd[1] Suite 106 998 West 19th Avenue Vancouver, B.C. Director, Vice-President of Operations	Nil	Project Manager for the Issuer; Director of Demand Technologies Ltd. and Alaskagold Mines Inc.
W. Earl Essery Suite 1803 2075 Comox Street Vancouver, B.C. Secretary, Treasurer and Director	Nil	Secretary, Treasurer of Demand Technologies Ltd., Pacific Bay Street Systems Ltd. and Alaskagold Mines Inc.
Luard J. Manning[1] 945 Belvedere Drive North Vancouver, B.C. Director	Nil	Mining engineer, President L.J. Manning and Associates Limited

[1] Member of Audit Committee

SCHEDULE "A"



CUSAC INDUSTRIES LTD.

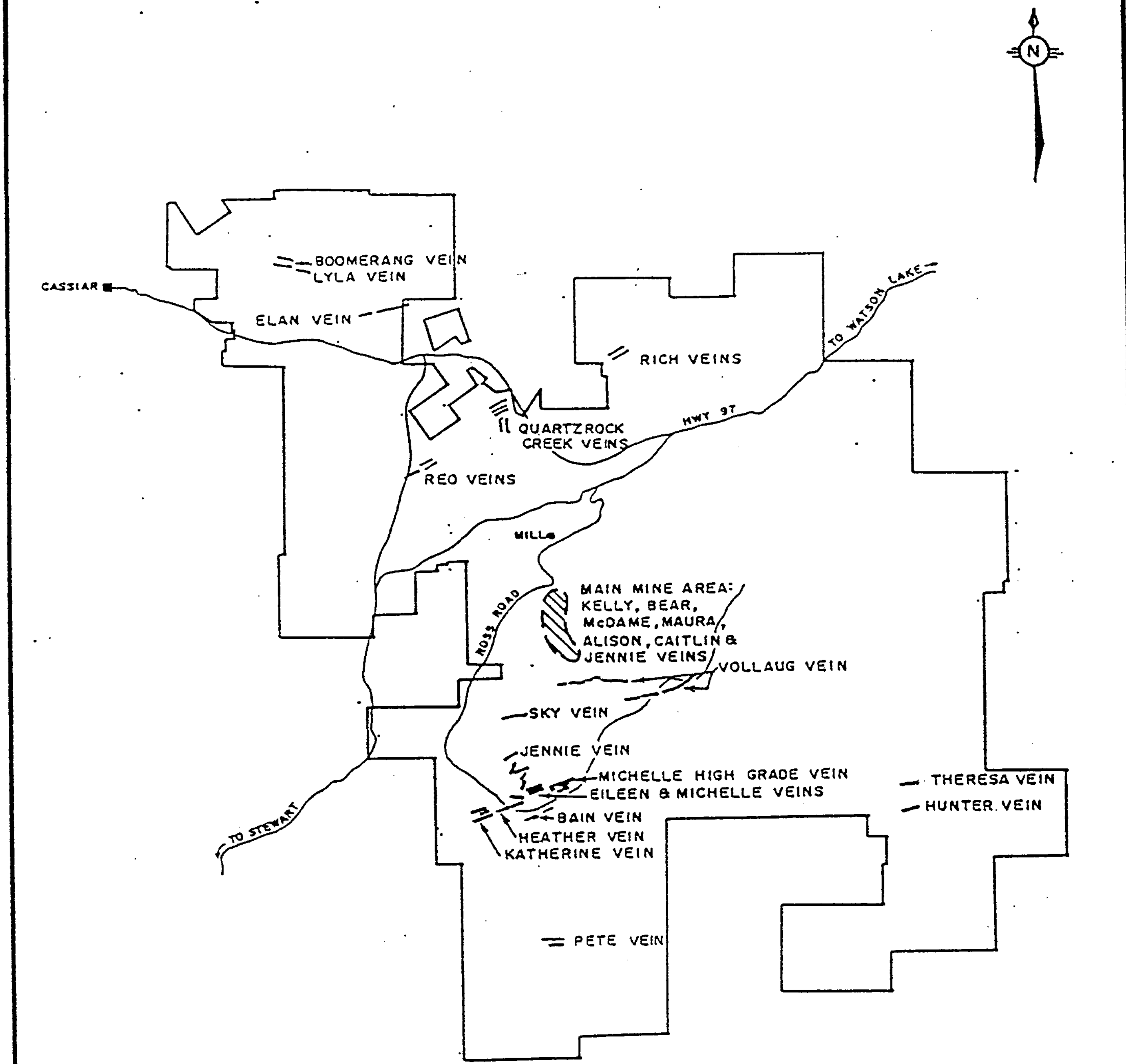
TABLE MTN. GOLD PROPERTY

LOCATION MAP

SCALE 1:7,500,000

FIGURE 1

SCHEDULE "B"



PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
R. D. WESTERVELT

R.D. Westervelt, P.Eng

NOTE: VEINS NOT TO SCALE

WESTERVELT ENGINEERING LTD.
CUSAC INDUSTRIES LTD.
TABLE MTN. GOLD PROPERTY PROPERTY MAP SHOWING MAIN VEIN LOCATIONS
MARCH 28, 1993 / FIGURE: 2

CUSAC INDUSTRIES LTD.
510 – 700 West Pender Street, Vancouver, B.C. Canada V6C 1G8
Telephone (604) 682-2421 Fax. (604) 682-7576

September 20, 1993

TSE Symbol - CQC
VSE Symbol - CQC
NASDAQ Symbol - CUSIF

N E W S   R E L E A S E

SENIOR MINE FINANCING for the TABLE MOUNTAIN GOLD PROPERTY

Cusac Industries Ltd. is pleased to announce that it has arranged mine production financing for its recently acquired, 100% owned, high grade, 100 square mile Table Mountain gold property in northwestern British Columbia. Under the terms of an agreement with a Swiss investor the U.S. $2 million, 8%, 14 month loan is secured by a first floating charge on all Cusac's assets. The lender has the right, by means of a treasury share warrant, to purchase one common share for each two Canadian dollars of principal remitted to the Company, at an exercise price of CDN $0.96 per share for a 2 year period expiring September 17, 1995 subject to regulatory approval by the Toronto Stock Exchange.

These funds, approximately CDN $2.6 million at current exchange rates, will enable Cusac to commence immediately camp mobilization, collaring of a portal and driving of a 9' x 12', 750 foot decline for underground development of the West Bain Vein system. Milling operations at the modern 300 ton per day gravity-flotation concentrator are scheduled to come on stream early in the spring of 1994. This facility was built after a fire destroyed the previous complex in early 1986 and operated until production ceased in late 1988. Under its former owners, Energold Minerals Inc. and predecessor companies the plant had an average metallurgical recovery rate of 95% and is in excellent condition.

Gold production in 1994 is estimated to exceed 23,000 ounces from the treatment of 36,000 tons averaging 0.687 ounces of gold per ton in the West Bain Vein system. On-site cash operating costs are estimated at CDN $150 - $160 per troy ounce of gold produced. At the current world gold price level of U.S. $350.00 a troy ounce, the mine is estimated to generate an operating profit of CDN $6.9 million from this source. Other ore bearing structures are known to occur in the immediate vicinity that will be investigated from underground. Management feels confident that with further surface and underground drilling programs they can

. . . . 2

CUSAC INDUSTRIES LTD.

b) during the nine month period ended September 30, 1993 (continued)

Common shares issued -

Resource properties,						
93/ 1/25	1,400,000	shares at	$0.50	per share	$ 700,000.00	Table Mtn. mine
Retirement of debt,						
5/18	104,167	"	0.48	"	50,000.16	legal fees
Private placements,						
5/ 3	200,000	"	0.45	"	90,000.00	cash (flow thro·
6/16	25,000	"	0.68	"	17,000.00	cash
93/ 8/13	236,000	"	0.90	"	212,400.00	"
	261,000				$ 229,400.00	

c) List of directors -

Guilford H. Brett, Martin Sadd, Luard J. Manning, W. Earl Essery

d) Management discussion -

Mine financing, see attached news release, dated September 20, 1993.

delineate substantial tonnages of reserves and sustain operations well into this decade. Cusac contemplates raising additional funds for exploration and development of their largely untested property in the near future.

On behalf of the Board:

CUSAC INDUSTRIES LTD.

Guilford H. Brett
President
GHB/jb

Neither the Toronto Stock Exchange nor The Vancouver Stock Exchange has approved or disapproved of the contents herein.

CERTIFICATE OF THE ISSUER

November 30 , 1993

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its Regulations.

CUSAC INDUSTRIES LTD.

Guilford H. Brett
Chief Executive Officer and
Promoter

W.Earl Essery
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

Guilford H. Brett

Luard J. Manning

CERTIFICATE OF THE AGENT

November 30, 1993

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its Regulations.

CANACCORD CAPITAL CORPORATION