

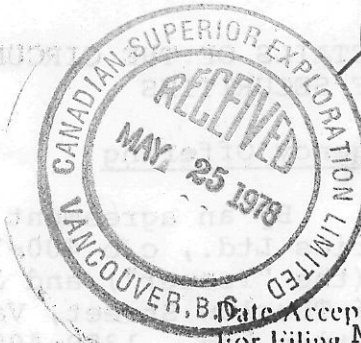
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THE GOVERNMENT OF
THE PROVINCE OF BRITISH COLUMBIA

Form 12

Securities Act



Date Accepted
For Filing **May 17, 1978**

**SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE
VANCOUVER CURB EXCHANGE**

SEND → J. BAKER

STATEMENT OF MATERIAL FACTS

VANCOUVER CURB EXCHANGE

Name of Exchange

CUSAC INDUSTRIES LTD.

Name of Issuer

205-890 WEST PENDER STREET, VANCOUVER, B.C.

Address of Head Office of Issuer

400-750 WEST PENDER STREET, VANCOUVER, B.C.

Address of Registered Office of Issuer

1400-1055 WEST GEORGIA STREET, VANCOUVER, B.C.

Address of Records Office (Section 38 - Companies Act)

NATIONAL TRUST COMPANY, LIMITED, 510 BURRARD ST., VANCOUVER, B.C.

Name & address of Registrar & Transfer Agent
for Issuer's shares in British Columbia.

Volume	Market Range
19,100	Low
5,800	375
9,500	384
68,600	402
	392

PROPERTY FILE
104P025-05

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

1. DETAILS OF THE CIRCUMSTANCES RELATING TO THE OFFERING OF SECURITIES

A. Agency Offering

By an agreement dated April 7, 1978 between Cusac Industries Ltd., c/o 400-750 West Pender Street, Vancouver, B.C., (the "Issuer") and Jones, Gable & Company Limited, 101-535 Thurlow Street, Vancouver, B.C., Canarim Investment Corporation Ltd., 1350-409 Granville Street, Vancouver, B.C., and West Coast Securities Ltd., 306-845 West Pender Street, Vancouver, B.C., (the "Agents"), the Agents agreed to act as the Issuer's Agents to use their best efforts in selling to the public in British Columbia through the facilities of the Vancouver Curb Exchange, 300,000 shares of the Issuer (Jones, Gable & Company Limited as to 150,000 shares, Canarim Investment Corporation Ltd. as to 100,000 shares and West Coast Securities Ltd. as to 50,000 shares) at the market price prevailing from time to time on the Vancouver Curb Exchange, but at a price of not less than \$0.40 per share. The offering will commence on the date this Statement of Material Facts is accepted for filing by the Vancouver Curb Exchange and the Superintendent of Brokers, as set out on the front page hereof, and will continue for a period of thirty (30) business days or until all of the 300,000 shares are sold, whichever shall first occur.

The Agents will receive a fee of \$500 on the date this Statement of Material Facts is accepted for filing and a commission of 6% of the gross sales at the time shares are sold. In the event all shares are sold, the Agents will receive an additional 1½% of the gross sales less the initial fee of \$500.

There are no discounts or other commissions payable to the Agents. The estimated proceeds to the Issuer in the event all shares are sold at the minimum price of \$0.40 per share will be \$120,000, less commissions of \$9,000, for net proceeds of \$111,000.

The range of the market price of the shares of the Issuer and the volume of sales for each of the four weeks immediately preceding the date this Statement of Material Facts has been accepted for filing by the Vancouver Curb Exchange is as follows:

<u>Week</u>	<u>Market Range</u>		<u>Volume</u>
	<u>High</u>	<u>Low</u>	
Apr. 17 - Apr. 21, 1978	41¢	37¢	19,100
Apr. 24 - Apr. 28, 1978	42¢	38¢	5,800
May 1 - May 5, 1978	41¢	40¢	9,500
May 8 - May 13, 1978	49¢	39¢	68,600

The Vancouver Curb Exchange is the only Exchange where the shares are listed for trading.

REPORT

on the

PETE MINERAL CLAIM

CASSIAR AREA, LIARD, M.D., B.C.

59°10'N. Latitude, 129°40'W. Longitude

N.T.S. 104P/4E

on behalf of

CUSAC INDUSTRIES LTD.

by

JAMES W. McLEOD, BSc.

OCTOBER 17, 1977

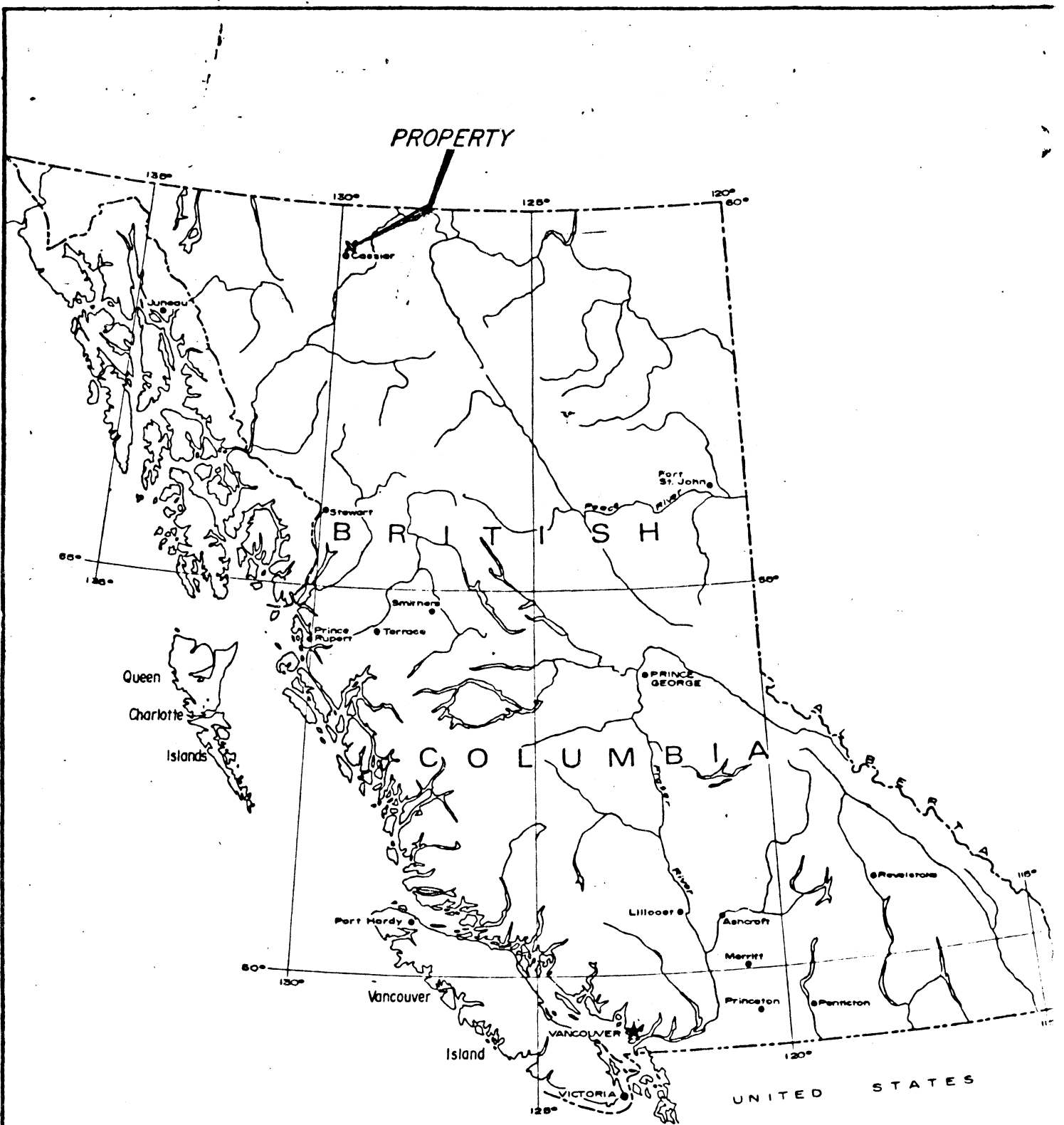


FIG. 1

INDEX MAP

PETE MINERAL CLAIM

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SUMMARY

A highly altered zone containing several significant occurrences of sulphide mineralization and one showing containing visible free gold in quartz were examined on the Pete mineral claim. The silicified zone that contains the sulphide and free gold mineralization is approximately one metre in width(exposed) and may be wider, it trends N200⁰/75⁰E. Although the free gold occurs as very, minute particles, often with tetrahedrite, the fact that it is present in visible quantities is encouraging.

A two phase exploration program is recommended. The first phase is expected to take several weeks to complete at an estimated cost of \$15,000.00.

INTRODUCTION

The writer conducted a reconnaissance of the Pete mineral claim from June 30 to July 4, 1977.

The reconnaissance program included outcrop mapping of the claim and detail mapping of the main showings.

The property examination was undertaken at the request of the Directors of Cusac Industries Ltd.

LOCATION AND ACCESS

The property is located approximately 20 kilometres southeast of the town of Cassiar, B.C.

Access to the property is gained by travelling southeast on a good dirt road from the Cassiar-Stewart Highway at McDame Lake for approximately 4 kilometres to the summit

of Table Mountain and hence by trail for approximately 4.5 kilometres to the south thereby reaching the north boundary of the claim. It would appear to be advantageous in mobilization of a future exploration camp to use helicopter from either Watson Lake, Yukon Territory, 80 kilometres to the northeast or Dease Lake, British Columbia, 55 kilometres to the southwest.

PROPERTY AND OWNERSHIP

The Pete mineral claim consists of 18 contiguous units (6N-3W). The claim was staked in the late Spring of 1977.

The mineral claim is owned by Mr. Guilford Brett an Officer of Cusac Industries Ltd., who is to transfer ownership of the claim to the Company for some consideration.

TOPOGRAPHICAL AND PHYSICAL ENVIRONMENT

The property lies on a very gentle south-facing slope which in places is nearly flat-lying, hence the swampy nature of much of the ground and ranges in elevation from 1170 to 1350 metres M.S.L.

Approximately 75% of the claim is very low, rolling, conifer-covered hills or swampy terrain. The other 25% of the claim is on gently rising mountain slope and is also covered with small coniferous trees. The area generally receives moderately heavy precipitation both as rain and snow. Winter travel in the area is often easier because of the hard, stable nature of the ground.

GENERAL GEOLOGY

The claim area has been described on Map 1110A, McDame, 1963 by Members of the Geological Survey of Canada. In summary, the claim area is shown as being underlain by Upper Devonian and Lower Mississippian volcanics and sediments and their metamorphosed equivalents which have been assigned to the Sylvester Group. The rock types include greenstone, chert-quartz arenite, chert, argillite, quartzite, greywacke, limestone and conglomerate. The area lies in the trough of a large, 16 to 40 kilometre, northwest trending syncline.

LOCAL GEOLOGY

The writer observed the claim area to be underlain by sediments, volcanics and a large part by a very altered dolomite or limestone. The north-central portion of the claim contains the relatively unaltered sediments, mainly chert; the southwestern and west sides of the claim were mainly found to be underlain by a green, fine to medium grained andesite, possibly termed a greenstone; the southeastern corner of the claim contains a number of occurrences of a highly altered dolomite or limestone, which is referred to in more detail in the next section on alteration.

Quartz outcrop and float are quite abundant in places on the property and appear to be nearly always a condition for the occurrence of sulphide mineralization.

ALTERATION

Silicification as previously mentioned appears to always accompany the sulphide, as well as, the free gold mineralization. What may be occurring is that the quartz veins may be a late alteration product of the intensive alteration of the dolomite or limestone and the formation of the large outcrops of a rock which may be "listvenite". The following is an excerpt taken from the U.S. Bureau of Mines, Bulletin 95, 1920 which states that "listvenite" is " a coarse crystalline aggregate of magnesite, talc, quartz, and limonite pseudomorphic after pyrite". The dolomite or limestone is supposedly altered by the intrusion of an ultrabasic body ie. serpentinite etc. Apparently some gold mines are found to occur in such a setting in the Ural Mountains of the U.S.S.R. and such occurrences are under study by a member of the Geological Survey of Canada at the present time. It should be noted that ultrabasic intrusions are not uncommon in the Cassiar area in general and could well occur in a zone of weakness, such as, the trough of a large syncline.

MINERALIZATION

The mineralization observed by the writer were, in order of decreasing abundance, pyrite, tetrahedrite, chalcopyrite, sphalerite ?, malachite and free gold. All of these minerals occurred in or very near a quartz vein or stringer and often with a black film thought to be graphite.

The free gold which was of primary interest to the writer was observed in one pit (4-3-2 metres) and was seen to occur distinct, discrete, extremely fine grains which often appear to occur beside a grain or bleb of tetrahedrite or less often chalcopyrite. Another pit (2-2-3 metres) two metres to the south had abundant sulphide in the dump material about it, but no free gold was observed in this material. The mineralization in both pits frequently occurred with a soft, black mineral thought to be graphite. The mineralization observed on the property is in sufficient quantity to make the property a very encouraging prospect.

CONCLUSIONS AND RECOMMENDATIONS

The gold bearing vein or veins contain sufficient mineralization to warrant further detailed exploration.

The writer recommends that a two phase program be undertaken. The program should proceed outward from the known areas of mineralization on a grid and should include geochemical soil, silt sampling and a VLF-E.M. survey. The samples should be analyzed for gold and copper, by the atomic absorption method. The second phase depending on the preliminary results may include further soil, silt and VLF E.M. surveying and trenching of any anomalies and some X-ray diamond core drilling of the main showings.

The first phase of the program is expected to take several weeks to complete at an estimated cost of \$15,000.

COST ESTIMATEPHASE I

Preliminary soil and silt survey	\$ 2500.00
VLF-E.M. survey	2500.00
Geochemical analyses	1000.00
Camp and supplies	1500.00
Transportation	2000.00
Mapping and supervision	2500.00
Equipment and supplies	1500.00
Contingency	<u>1500.00</u>

Sub Total \$15,000.00

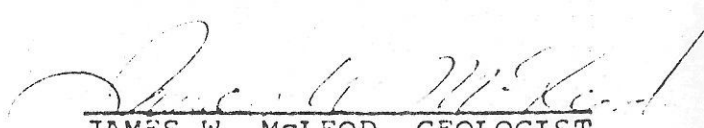
PHASE II

X-ray diamond core drilling	3000.00
Continuing reconnaissance and detailed geochemical survey	2000.00
Follow-up E.M. survey	2000.00
Tote road construction and bulldozer trenching	5000.00
Camp and supplies	2000.00
Geochemical analyses	2000.00
Transportation	3000.00
Mapping and supervision	3000.00
Equipment and supplies	2000.00
Contingency	<u>1000.00</u>

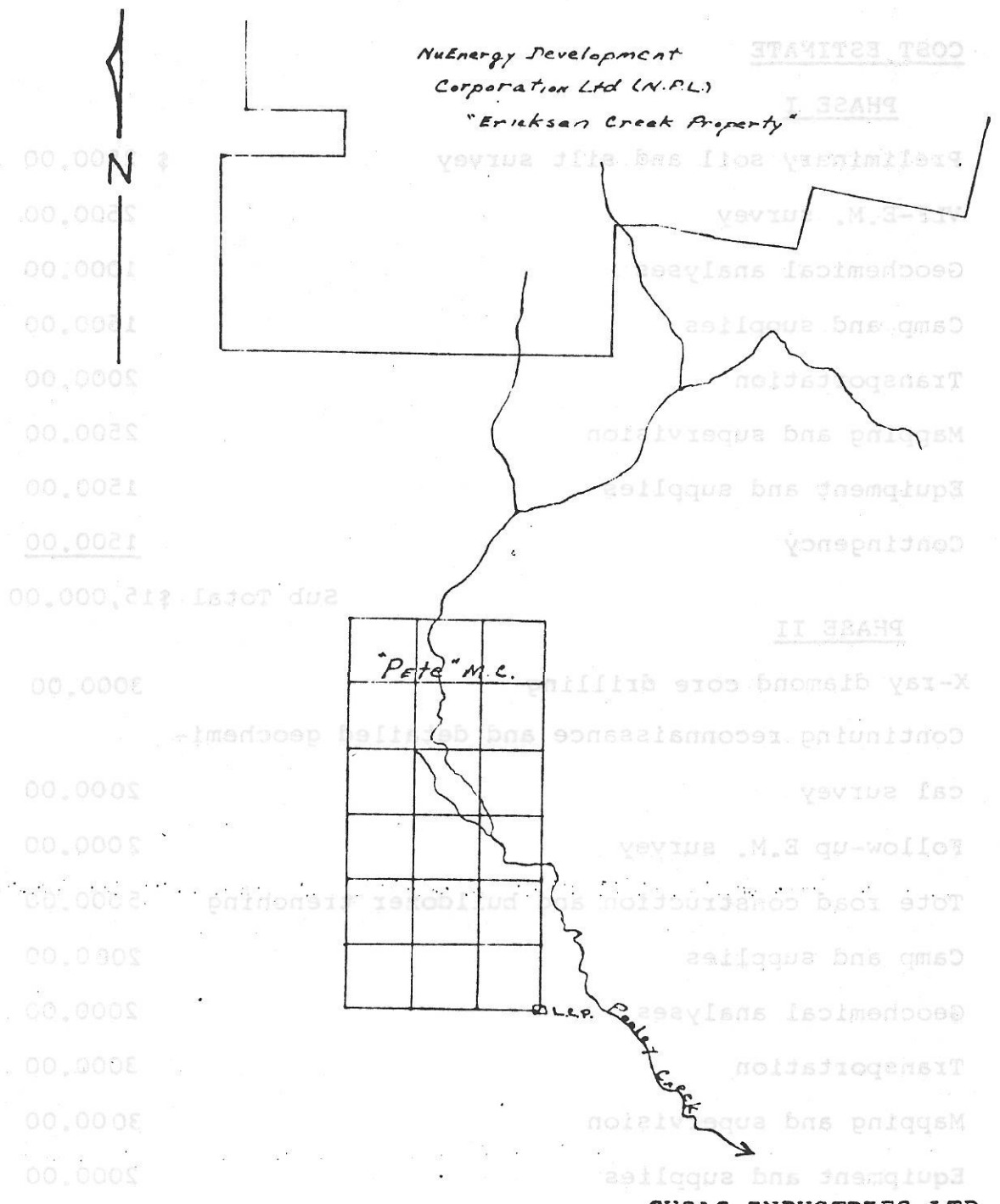
Sub Total \$25,000.00

TOTAL \$40,000.00

Respectfully Submitted,



JAMES W. MCLEOD, GEOLOGIST

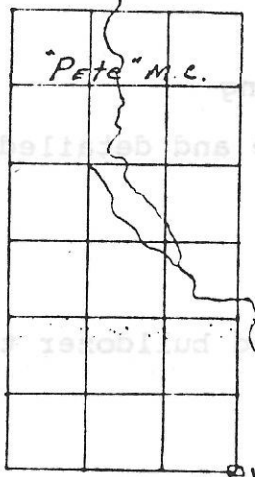


NuEnergy Development Corporation Ltd (N.P.L.)
 "Eriksan Creek Property"

COST ESTIMATE
PHASE I
 Preliminary soil and site survey
 E.M. survey
 Geochemical analyses
 Camp and supplies
 Transportation
 Mapping and supervision
 Equipment and supplies
 Contingency

\$ 100,000
 200,000
 300,000
 400,000
 500,000
 600,000
 700,000
 800,000
 900,000
 1,000,000
 Sub Total \$1,500,000

PHASE II



3000,00
 2000,00
 1000,00
 2000,00
 3000,00
 4000,00
 5000,00
 6000,00
 7000,00
 8000,00
 9000,00

CUSAC INDUSTRIES LTD.

CLAIM PLAN

Scale: 1" = 1270 metres

October 17, 1977

Sub Total \$2,500,000
 TOTAL \$40,000,000

Respectfully Submitted,
 JAMES W. WELSH, GEOLOGIST

CERTIFICATE

I, JAMES W. MCELROY, of the City of Vancouver, Province of British Columbia, certify as follows:

(1) I am a geologist and an Associate Member of the Geological Association of Canada.

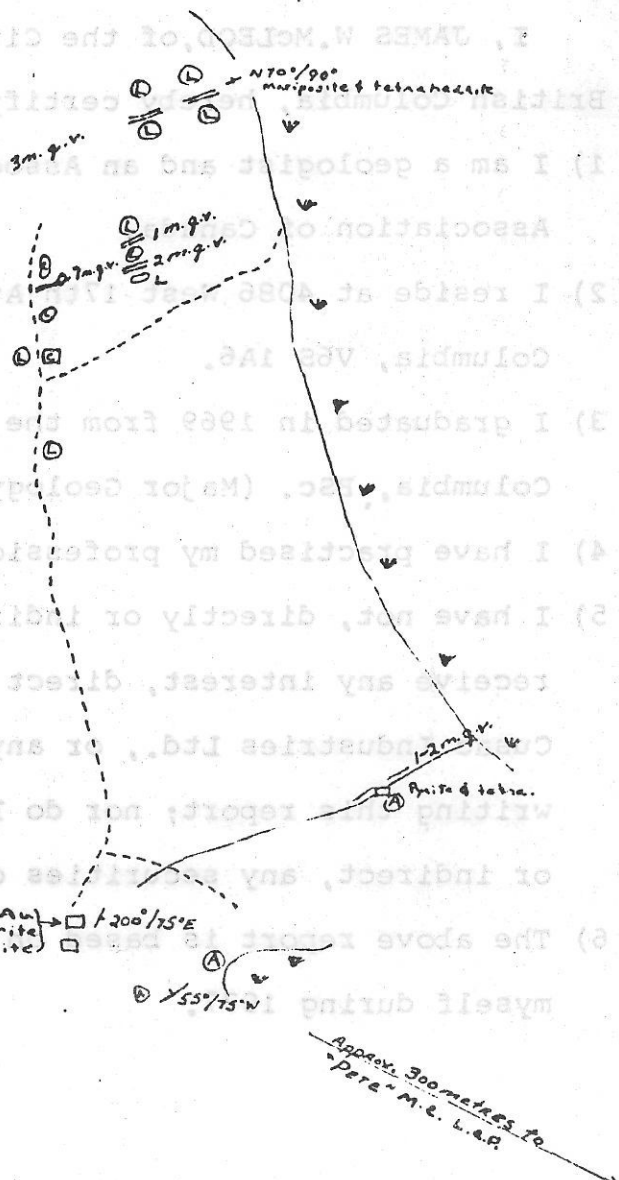
(2) I reside at 4086 West 17th Avenue, Vancouver, British Columbia, V6S 1A6.

(3) I graduated in 1958 from the University of British Columbia, B.Sc. (Major Geology).

(4) I have practised my profession since 1959.

(5) I have not, directly or indirectly, received or expect to receive any interest, direct or indirect, in property of Cusac Industries Ltd., or any affiliate as a result of writing this report; nor do I beneficially own, direct or indirect, any shares of Cusac Industries Ltd.

(6) The above report is a true and correct statement of facts ascertained by myself during the course of my field work.



LEGEND

- ⊙ - Listrenite
- ⊙ - Andesite
- - Pit or trench
- - Cabin
- q.v. - quartz vein in metres
- Strike dip of q.v. or fracture
- ↖ - Swamp
- Trail

CUSAC INDUSTRIES LTD.

PLAN of MAIN SHOWING

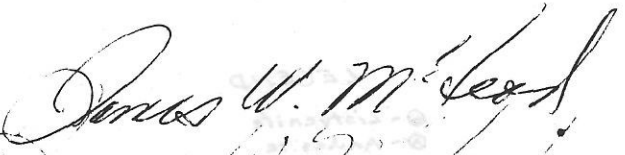
Scale: 1" = 30 metres

October 17, 1977

CERTIFICATE

I, JAMES W. McLEOD, of the City of Vancouver, Province of British Columbia, hereby certify as follows:

- 1) I am a geologist and an Associate Member of the Geological Association of Canada.
- 2) I reside at 4086 West 17th Avenue, Vancouver, British Columbia, V6S 1A6.
- 3) I graduated in 1969 from the University of British Columbia, BSc. (Major Geology).
- 4) I have practised my profession since 1969.
- 5) I have not, directly or indirectly, received or expect to receive any interest, direct or indirect, in property of Cusac Industries Ltd., or any affiliate as a result of writing this report; nor do I beneficially own, direct or indirect, any securities of Cusac Industries Ltd.
- 6) The above report is based on fieldwork performed by myself during 1977.


JAMES W. McLEOD, BSc.

Dated at Vancouver, B.C., this seventeenth (17) Day of October, 1977.

CUSAC INDUSTRIES LTD.

PLAN OF MAIN SHOWING

Scale: 1" = 30 metres

October 17, 1977

20. STATUTORY RIGHTS OF RESCISSION

Sections 61 and 62 of the Securities Act (British Columbia) provides in effect, that where a security is offered to the public in the course of primary distribution:

- (a) A purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Statement of Material Facts, together with financial statements and a summary of engineering reports as filed with the Vancouver Stock Exchange, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.
- (b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Statement of Material Facts or any amended Statement of Material Facts offering such security contains an untrue statement of material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such Statement of Material Facts or amended Statement of Material Facts is received or is deemed to be received by him or his agent.


Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

21. CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER:


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

CUSAC INDUSTRIES LTD.

April 7, 1978
(Date)


GUILFORD H. BRETT, Director
and Promoter


ANDREW ROBERTSON, Director


ANDRE GOURD, Director, by his
attorney, Guilford H. Brett

CERTIFICATE OF THE ~~UNDERWRITERS~~ AGENTS:

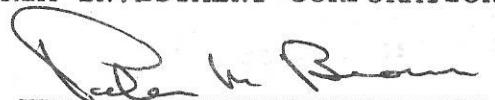
To the best of our knowledge, information, and belief, the foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

April 7, 1978
(Date)

JONES, GABLE & COMPANY LTD.

CANARIM INVESTMENT CORPORATION LTD.





WEST COAST SECURITIES LTD.

