

23 JAN 1987

CUSAC INDUSTRIES LTD. (CQC-V, CUSIF-Nasdaq)

TOTAL ERICKSON RESOURCES LTD. (TLE-V,T) GCNL 16

GOLD OWNERSHIP DISPUTED - HIGH GRADE - A second major DISCOVERY SCHEDULED FOR 1987 PRODUCTION - structure has been scheduled for production in 1987 on Cusac's Table Mountain property, Cassiar, B.C. The discovery is one of six gold veins found by Erickson Gold Mining, the property operator. The discovery hole cut 13.1 ft. grading 1.49 oz. gold/t, 1.29 oz. silver/t about 150 ft. south of the producing Eileen vein.

Since July 1, 1986, production from the Eileen vein as reported by Erickson has yielded 24,262 oz. gold from ore averaging 0.94 oz. gold/t. Production in the last three months averaged 1.18 oz. gold/t.

There is a dispute with Erickson over the ownership of 6,700 oz. of gold produced from the first 12,000 tons of ore milled from the Eileen. Cusac has calculated revenue during 1986 to be \$4,197,488. This is based on Erickson's stated revenues less actual costs to Sept. 30, 1986 and estimated costs for the fourth quarter.

Cusac is confident that its ownership of the gold produced from the first 12,000 tons will be upheld. Erickson will then be entitled to retain revenues until pre-production costs are recovered. In any event, all these costs will be recovered from the first six months production as well as generate a net profit. Cusac has forecast 1987 revenues at \$5,401,000 or \$1.05 per Cusac share, based on similar rates of production, grades and recoveries as in 1986, and reduced to a 30% net profits interest. Cusac is entitled to 40% of net profits until receipt of \$3,000,000, excluding proceeds from the first 12,000 tons of ore mined, then reducing to 30% of net profits.

GCNL#31 **TOTAL ERICKSON RESOURCES LTD. (TLE-V) FEB 13/87**
DRILL CUT OVER 10 FEET - The new high grade Michelle zone GRADING 11.68 OZ. GOLD/T in the Cusac 1 area at Total Er-
104P070(4E) ickson Resources' gold mine at Cassiar, B.C., discovered by diamond drill hole C87-198 (GCNL 12(87) p.1 refers) has been confirmed by this year's second hole, diamond drill hole C87-200. This has five separate ore grade vein intersections.

DRILL HOLE	DIAMOND INTERVAL, METER		CORE LENGTH METERS FEET		GOLD OZ/TON	SILVER OZ/TON
	FROM	TO				
C87-198	73.3	77.3	4.0	13.1	1.49	1.29
C87-200	139.5	140.5	1.0	3.28	0.13	0.28
	202.1	202.7	0.6	2.0	8.13	1.70
	206.4	209.7	3.3	10.83	11.68	3.23
	235.6	235.9	0.3	1.0	15.29	2.84
	245.2	245.6	0.4	1.31	0.60	1.72

President Jean-Pierre Januard says Hole 200 was drilled some 235 metres east of the nearest drill hole in this zone and 385 metres east of hole 198. The Michelle zone is open to extension in the area between the holes, to the east of hole 200 and down dip. He reports that the decline being driven from the Eileen Vein workings to explore and develop the Michelle zone should reach the zone during March. Both the Eileen vein and the Michelle zone are in an area in which **CUSAC INDUSTRIES LTD. (CQC-V)** retain an interest (GCNL 16(87))

Cusac is set to produce at a new gold structure

N MINER FEB 21/87 1048070

VANCOUVER - Cusac Industries says a second major structure has been scheduled for production at its Table Mountain property near Cassiar, B.C. The company says this is one of six gold-bearing veins found in 1986 by Total Erickson Resources, the project operator.

The structure was intersected in an underground drill hole which returned 13.1 ft grading 1.49 oz gold per ton and 1.3 oz silver. The vein was found 160 ft south of the producing Eileen vein where initial production began last July at 150 tons per day.

Cusac says production in the first 6-month period averaged 0.94 oz gold and the last three months was

1.18 oz. Over-all production for the period was 24,262 oz, notes Cusac, adding that these statistics are from Total Erickson.

A disagreement has surfaced over the ownership of the gold produced from the first 12,000 tons of ore milled, says Cusac. Approximately 6,700 oz of gold is in dispute, based on Erickson's stated revenues less preproduction and production costs to Sept 31, 1986, and estimated costs of \$200 per ton in the fourth quarter. Cusac argues that the \$200-per-ton figure is conservative based on historic costs in the region.

Cusac is confident its claim will be upheld, noting that Erickson will then be entitled to retain revenues until production costs are recovered. The company predicts that all Erickson's costs will be recovered from the first six months of production and a net profit generated. Cusac estimate 1987 revenues to be \$5.4 million or \$1.05 per share.

Cusac has a 40% net profits interest in the property until it has received \$3 million (excluding proceeds derived from the first 12,000 tons), at which time its net profit interest will be reduced to 30%.

VANCOUVER MARKET RPT FEB 1987.

1048070.

Cusac Industries Ltd.

Cusac retains a 40% net profits interest in the property until it has received \$3,000,000, (excluding proceeds derived from the first 12,000 tons), at which time its net profit interest reduces to 30%. (VSE:CQC)

Cusac announced that a second major structure has been scheduled for production in 1987 on Cusac's Table Mountain property located near Cassiar, B.C. The new discovery is one of six gold-bearing veins found by Erickson Gold Mining Corp, the operator of the property, in 1986.

Production, in the first 6 month period, as reported by Erickson has averaged 0.94 oz/ton Au, with the last three months averaging 1.18 oz/ton Au. Overall production for the 6 month period has yielded 24,262 oz of gold.

There is at present a disagreement with Erickson over the ownership of the gold produced from the first 12,000 tons of ore milled. Approximately 6,700 oz of gold is in question. Cusac has calculated revenue during 1986 to be \$4,197,488 or 82¢/share. This is based on Erickson's stated revenues less preproduction, and production costs (subject to audit and verification) to September 31st, 1986, and estimated costs of \$200/ton for the 4th Quarter.

Cusac said it is confident that its ownership of the gold produced from the first 12,000 tons will be upheld. Erickson will then be entitled to retain revenues until preproduction costs are recovered. In any event all of these costs will be recovered from the first 6 months production as well as generate a net profit. Cusac has estimated 1987 revenues to be \$5,401,203 or \$1.05/share, based on similar rates of production, grades and recoveries as in 1986, and reducing to a 30% net profit interest.

Big programs dominate exploration in B.C.

Mineral exploration in British Columbia for 1985 can be summed up in three words: gold, gold and gold (with a few pieces of silver and the odd lump of coal thrown in for good measure).

The total number of claims recorded by years' end is estimated to be in the neighborhood of 59,000, as compared to 81,729 recorded during 1984. Placer leases are estimated to reach a total of 705, as compared to 641 for 1984. Coal license applications are estimated at 175, as compared 227 for 1984.

Notwithstanding the considerably lower number of claims staked, exploration expenditures are expected to reach \$66.4 million in hard rock and \$12.8 million in coal for a total of \$79.2 million. Respective figures for 1984 are \$71.2, \$11.7 and \$82.9 million. These figures indicate that considerable funds were expended in major exploration programs. The Toodoggone camp alone is estimated to have been the target of expenditures totalling more than \$6.5 million by six main operators and several smaller ones. Other major programs were carried out at Muddy Lake, Windy Craggy-Mt. Henry Clay, Midway Stewart, Cassiar, Mt. Klappan, Bralorne, Hedley and Aylwin Creek (Willa).

Although a number of major mines continued to remain closed indefinitely, the year also saw some welcome developments. **Bell Copper** reopened September 24 and **Mosquito Creek Gold Mine** reopened in July. On Vancouver Island, **Westmin Resources** in September commissioned its new H. W. Mine and mill at a cost of \$250 million. **Blackdome Gold Mine** is in an advanced stage of construction, and production is expected by mid-1986 at 180 tonnes per day. Other major mineral and coal deposits are at a stage of advanced exploration or early development.

Gold and silver were actively sought throughout the province in a variety of deposit types, the most important of which are:

- Epithermal deposits.

- Replacements along faults with precious metals associated with listwanites and extensive silica-carbonate alteration.

- Volcanic massive sulphide deposits.

- Bulk mineable porphyry deposits are deposits transitional between volcanogenic massive sulphides and porphyries.

- Gold-bearing skarns.

- Manto-type replacement deposits with silver, lead, zinc mineralization.

Beginning with the most common precious metal target, epithermal deposits, by far the busiest area was the Toodoggone camp, 300 km north of Smithers. Gold-silver mineralization here occurs along the central axis of a 100 km x 20 km belt of early Jurassic subaerial andesitic volcanics and associated intrusives, known as the Toodoggone volcanics. The distribution of deposits is strongly controlled by northwesterly-trending faults. Related hydrothermal alteration includes extensive propylite, clay and silica alteration. The systems fit well

into the classic epithermal model of Buchanan, and local hot spring discharge sites have been recognized in several places, particularly in the Alberts' Hump area where

gold is associated with intense silica-barite replacements.

The most important deposit in the Toodoggone camp so far is the **Lawyers** deposit of **Serem Inc.**, with

reserves in excess of 82,000 tonnes grading 7.2 grams per tonne Au and 254 grams per tonne Ag. Gold at **Lawyers** is mostly found in a

spectacular amethyst-gold breccia which occurs in veins and replacements along faults and shears. Serem is expected to file a Stage I report and a final feasibility report soon.

Other important epithermal deposits in the area include **Silver Pond**, very close to **Lawyers**, the **Alberts' Hump** deposits, **Shas** and **Chappelle**, the site of the recently closed **Baker Mine**.

An important factor in maintaining a high level of interest in this remote area has been the provincial government's decision to extend the **Omineca Resource Road** 45 miles into the area from its present terminus at **Moosevale Flats**, depending on a production decision by **Serem**.

Another important area of epithermal gold-silver deposits is the old **Steward gold camp**. Here **Westmin Resources** has outlined 3.89 million tonnes of pitiable material grading 2.93 grams per tonne Au and 110.4 grams per tonne Ag mainly within the **Glory Hole** area of the old **Silbak Premier** mine. At the nearby **Prosperity-Porter Idaho** property, **Teck Corp.**, under option from **Pacific Cassiar** is working on 898,000 tonnes on three major vein structures grading 668 grams per tonne Ag.

A number of other promising epithermal prospects are under investigation in the **Stewart** area. Of particular interest is the **Sulphurets** area, some 80 km northwest of **Stewart**, where spectacular values in gold and silver are found in epithermal veins which are strongly structurally controlled and are associated with extensive quartz-carbonate alteration in Lower Jurassic sandstones, intermediate fragmental volcanics and intrusives. Large, low-grade deposits (18-22 million tonnes of 2.74 grams per tonne Au) transitional to the porphyry type are also found in this area.

A third area of important epithermal vein gold mineralization in the north is in the **Cassiar** camp, where **Erickson Gold Mines**, under option with **Cusac Industries** has outlined what is so far the strongest gold-bearing structure in this camp. The **Eileen** veins have been traced for more than 335 metres with widths ranging from one to two metres and grades averaging 23.3 grams per tonne Au.

In the southern part of the province the old **Bridge River-Bralorne** camp is being intensely explored for epithermal to mesothermal

Silbak

246046 (16)

LA. WYERS 94E066 (16)

Eileen 104P070 (4)

104P070 - Eileen

104P070 RETE, CORDOBA
GCN #126 2 JULY 1986

TOTAL ERICKSON RESOURCES LTD. (TLE-V)
CUSAC INDUSTRIES LTD. (CQC-V; CUSIF-Nasdaq)
TAURUS RESOURCES LTD. (TRU-V)

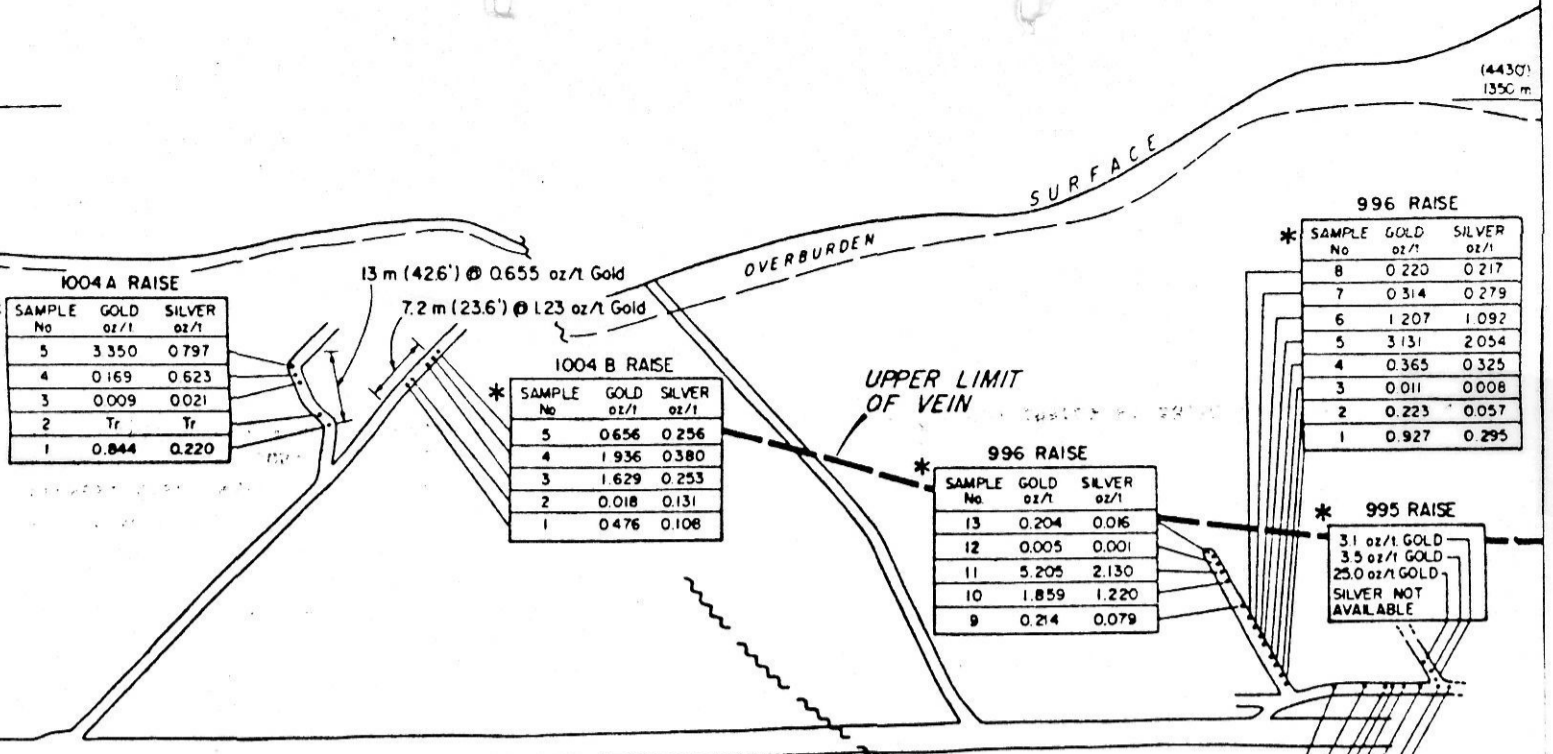
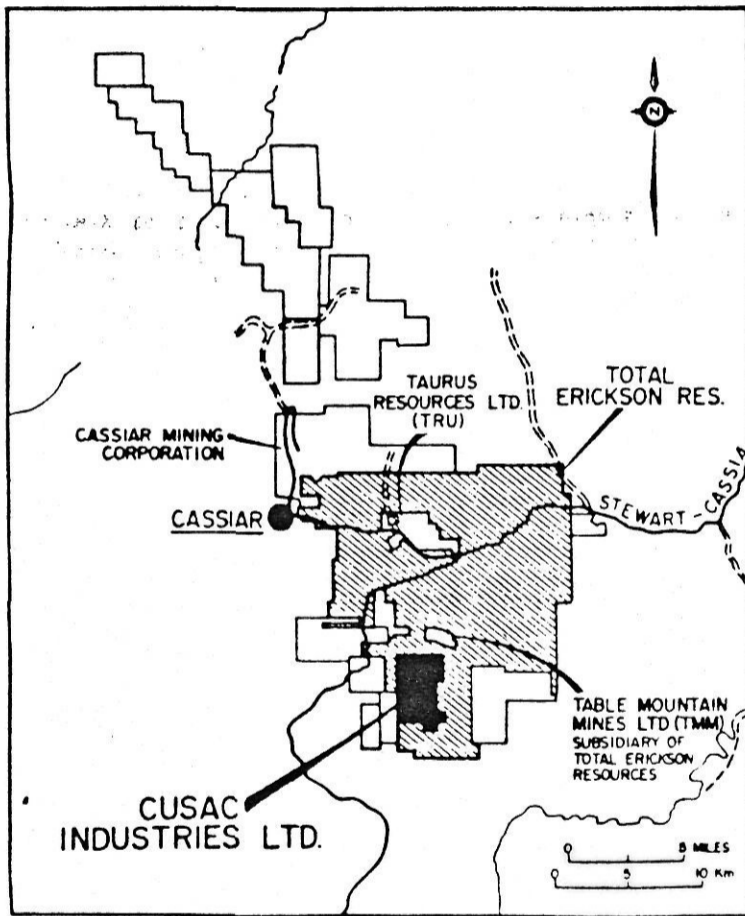
CUSTOM MILLING - Total Erickson Resources Ltd. has AGREEMENT REACHED with Taurus Resources Ltd. on a custom milling contract whereby Taurus will mill gold ore on an exclusive basis 4,000 tons of ore per month for 4 months (July-October, 1986) from Erickson's Cassiar, B.C. area properties.

The construction of Erickson's new 300 ton per day plant is on schedule for start-up during November, 1986. It is expected that a large part of these 16,000 tons to be custom milled at Taurus will come from the high grade Eileen vein which is on ground optioned by Erickson from Cusac Industries Ltd. (SEE MAP OVERLEAF of the high grade gold values on the Cusac property). J.R. Poloni, P.Eng., consultant for Cusac, has determined that the average grade of the Eileen East vein is 0.87 ounce gold per ton and 0.36 ounce silver per ton, however, grades in the 10 to 20 ounce gold per ton range have been encountered in several working faces. An extensive exploration diamond drilling program is underway to test other gold bearing structures in the area.

Assays from the No.995 raise from the east end of the main haulage level are from the bottom to top as follows:

	oz. GOLD/TON	oz. SILVER/TON
	3.162	0.11
	3.362	1.44
	25.338	5.84
	15.172	3.02
	12.720	2.60
	15.276	3.92
	6.740	1.12
	3.630	1.68
	5.116	2.22

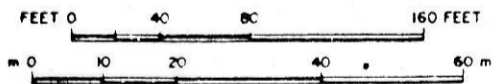
All these values are diluted to a 4 foot mining width. Under the terms of the Erickson/Cusac agreement, after payout of Erickson's pre-production costs and expenses, Cusac will retain a 40% net profits interest from production at Cusac, falling to 30% when Cusac has received \$3,000,000 from its share of net profits from production at Cusac.



* ALL SAMPLES DILUTED TO 4 FOOT MINING WIDTH

CUSAC INDUSTRIES LTD.
CQC-V, NASDAQ-CUSIF
TOTAL ERICKSON RESOURCES -60% OPTION
SECTION ALONG EILEEN WEST VEIN

CASSIAR AREA, B.C.



APRIL - 1986

MINER 104P070
7 JULY 1986

Total Erickson in custom mill deal with Taurus Res.

Pete,
104P
(104)

Construction of a new 300-ton per day plant is on schedule for start-up this November at its Cassiar, B.C. property, says **Total Erickson Resources** Executive vice-president, Kristian Ross.

This announcement follows an agreement by the company's wholly-owned subsidiary, Erickson Gold Mining and **Taurus Resources** on a custom milling contract. Under the terms of the agreement Taurus will mill on an exclusive basis 4,000 tons of ore per month for four months, starting this month, from Erickson's Cassiar area properties.

Mr Ross expects that a large part of these 16,000 tons will come from the Eileen Ven, which is on ground optioned by Erickson from **Cusac Industries** (N.M., April 14/86).

Under the terms of that agreement, after payout of Erickson's pre-production costs and expenses, Cusac will retain a 40% net profits interest from production at Cusac, falling to 30% when Cusac has received \$3 million from its share of net profits from production at Cusac.

MINER
7 JULY 1986

Pete, Cordoba
104P/4E (104P 070)

New mill gets under way at Total Erickson mine

VANCOUVER — Destroyed by fire more than six months ago, construction work has commenced on a new gold mill for **Total Erickson Resources** at Cassiar, B.C.

The plant is scheduled to be completed in November but in the meantime the company has concluded an exclusive custom milling agreement with **Taurus Resources** which will see Erickson supply 4,000 tons of ore per month to that facility.

According to Kristian Ross, executive vice-president of Erickson, the custom milling arrangement will involve about 130 tons per day, most of which will come from the Eileen vein on a property held under option from Cusac Industries.

He claims the vein has about the highest grade ever found in the Cassiar camp, adding the mill feed should average approximately 0.75 oz gold per ton. The Taurus mill will be used exclusively for Erickson during the 4-month period beginning in July and ultimately will involve about 16,000 tons of ore.

The company has been exploring the Eileen vein by decline and sub-drift development and there is still room to expand reserves, he says. The property is being prepared for mining and some 3,500 tons of ore have been stockpiled for milling purposes.

Foundation work for the new mill is proceeding satisfactorily and he explains the custom milling arrangement will provide a much-needed source of cash flow during the construction phase. Most of the equipment will be new and the replacement cost is about \$3.5 million, all of which is covered by insurance. The work is being done "in house" and a former chief metallurgist is assisting in the design and construction of the mill.

Erickson has a number of other good exploration targets on its extensive holdings in the Cassiar area. An exploration decline will be driven into the GH zone of the Vollaug vein and access to the area will be via the roadway to the Eileen vein.

Mr Ross says the company's Mount Skukum project near Whitehorse is producing at 300 tons per day and recoveries have been improving steadily and now are averaging better than 90%.

Ranchmen's takeover shelved

MINER
21 July 1986

In the mining division, Total Erickson's Mount Skukum gold project south of Whitehorse has been averaging about 8,000 tons per month and he expects daily throughput in the mill will reach the previously announced 300 tons per day within six months. Total Erickson, the operator, currently has a 37% interest in the mine and can earn another 4% under an incentive program based in part on gold output and the cost of production. 104P/4E 104P070

Mill construction is under way at the company's gold mine near Cassiar, B.C., and Mr Davidson feels the more efficient new plant will result in savings of around \$2 per ton over the old facility which was destroyed by fire earlier this year. Foundation work was delayed until May because of late frost conditions and he says they have received a \$2.5-million advance from their insurance company to cover costs.

This insurance also covers losses relating to business interruption but he says it's still too early to calculate what that will be. The settlement was valued at \$3.5 million and the business interruption portion will be based on anticipated production, less the direct costs of producing the gold, he says. Gold prices and U.S. exchange rates will all have to be taken into account, which tends to complicate matters, he says.

VANCOUVER — A deal which would have resulted in **Total Erickson Resources** taking control of **Ranchmen's Resources** (N.M., June 9/86) has not been consummated because it was modified and became unacceptable, according to Frederick W. Davidson, vice-president and chief financial officer for Total Erickson.

The proposed agreement would have seen a wholly-owned subsidiary, Total Eastcan Exploration, acquire control of Ranchmen's from its principal shareholder, Canadian Oil and Gas Fund and the fund's controlling shareholder, John G. McDonald.

The transaction would have also seen all classes of ordinary shares in Ranchmen's consolidated into a single class carrying full voting rights, but negotiations between the parties have since been terminated, he claims.

Mr Davidson confirms that Total Erickson will still receive \$400,000 per year from a \$40-million convertible debenture it has with Ranchmen's which, after conversion, will give Total Erickson a 55% interest in the company. That figure doesn't include any preferred share conversion and he adds, "We will get ultimate control of Ranchmen's eventually."

Pointing out that "Erickson is Ranchmen's only debt," he says that Ranchmen's is considering a \$10-million offering which would allow it to buy oil and gas reserves for less than historic discovery costs. In any event, he says that company's earnings are being reinvested in the business and it will continue to be a good investment.

GCNL #50 12 MAR 1986
PETE, CORDOBA

TOTAL ERICKSON RESOURCES LTD. (TLE-V,T, TLEXS-Nasdaq) 104P/4E (104P 070)

GOLD PRODUCTION STARTED - Total Erickson Resources Ltd., operator of the 100% owned Mount Skukum Gold Mine, announces the start of gold production. The first 1,000 ounce dore bar (60% gold, 40% silver) was produced March 7. The pour was attended by A.David Ross, vice-chairman of Total Erickson and Dr.Piero Faenzi, executive vice president of AGIP Canada Ltd. A second dore bar was produced during the weekend. The mill is operating at 300 tons per day. The mine is in the Wheaton River area 50 miles south of Whitehorse Yukon.

Construction of the surface and underground facilities started in mid-August, 1985. Including a one month tune up for the plant, the whole project was completed in less than seven months.

At the Erickson mine at Cassiar, B.C. where reconstruction of the mill is covered by insurance policies at new replacement cost, engineering has started and the new plant is scheduled to be operational at the beginning of the fourth quarter of this year. The company is also insured for interruption of cash flow during this reconstruction period.

The current underground exploration program on the Eileen Vein system at the Erickson mine on property optioned from CUSAC INDUSTRIES LTD. (CQC-V) is confirming the reserves outlined by diamond drilling last Fall. Reserves in the Eileen were calculated at 33,565 tons grading 2.341 ounces of gold per ton uncut and 0.893 ounce of gold per ton cut. Systematic underground sampling correlates remarkably well with the previously estimated reserve grade. In addition, it appears from this underground exploration that the Eileen ore bodies are still open to extension.

GCNL #60 26 MARCH 1986

104P/4E (104P 070)

CUSAC INDUSTRIES LTD. (CQC-V, CUSIF-Nasdaq)

TOTAL ERICKSON RESOURCES LTD. (TLE-V,T, TLEXS-Nasdaq)

EILEEN WEST VEIN			EILEEN EAST VEIN			EILEEN EAST VEIN		
Location	Oz.Gold/T	Oz.Silver/T	Location	Oz.Gold/T	Oz.Silver/T	Location	Oz.Gold/T	Oz.Silver/T
1004 B Raise			996 Raise			996 Sub-Drift		
(over 20' of advance)	0.476	0.108	(over 85' of advance)	0.927	0.295	(over 55' of advance)	0.328	0.344
	0.018	0.131		0.223	0.057		0.911	0.256
	1.629	0.253		0.011	0.008		0.765	0.451
	1.936	0.380		0.365	0.325		2.788	0.620
	0.656	0.256		3.131	2.054		10.356	2.822
1004 A Raise				1.207	1.092		0.803	0.236
(over 30' of advance)	0.844	0.220		0.314	0.279		2.119	0.771
	Tr.	Tr.		0.220	0.217		2.953	0.928
	0.009	0.021		0.214	0.079			
	0.169	0.623		1.859	1.220			
	3.350	0.797		5.205	2.130			
				0.005	0.001			
				0.204	0.016			

HIGH GRADE GOLD ASSAYS FROM SAMPLES IN THREE RAISES ON EILEEN VEIN - Thirty one samples taken across 4 feet each in three raises and one sub-drift on the Eileen vein system on the Cusac Industries Ltd. property have confirmed the high grade gold values reported from 1985 diamond drilling. The property is located southeast of Cassiar, B.C. See table for the detail of the assays. Total Erickson Resources holds an option to earn a 60% interest in the property with Cusac retaining 40% carried interest reducing to 30% after Cusac has recovered \$3,000,000 from production. Trenching and drilling has opened the vein to a 1,220 foot length and to a depth of 150 feet with drill indicated reserves of 88,458 tons having a cut grade of 0.87 oz.gold/t (uncut 2.341 oz.gold/t), 0.36 oz.silver/t over mining widths varying from 4 to 15 feet. (See GCNL No.32,P.2, Feb.14,1986 for some detail). Work on the main Eileen decline drift has resumed with the decline to be driven parallel to the rake of the ore body.

Reconstruction has started on the concentrating plant which was destroyed by fire in February. The new plant will have a designed capacity of 300 tons per day and is expected to start tune up in October 1986.

Cusac has a 26% interest in the Yakataga beach sands, Alaska where engineering is near completion for a 500 yard per day placer plant which is expected to be in operation in mid-summer 1986.

GCNL #19 28 JAN 1986

CUSAC INDUSTRIES LTD. (CQC-V; CUSIF-Nasdaq) Pete, Cordoba 104P/4E (104P 070)

FIRE DELAYS MINE PRODUCTION - Production of gold ores from the Cusac Industries Ltd. property near Cassiar, B.C. will be delayed while the concentrating plant at the Erickson Gold Mines Ltd. property is rebuilt following a fire Jan. 23, 1986. It is expected the new 300-ton per day plant will be in operation in the fall of 1986. Cusac reserves are placed at 88,458 tons grading 0.87 oz. gold/t.

MINER 3 FEB 1986

Fire destroys Erickson mill

VANCOUVER - A fire has completely destroyed the mill at Erickson Gold Mines' Cassiar, B.C., property and the company says reconstruction will begin immediately. 104P/4E (104P 070)

There were no injuries in the fire and the loss is covered by insurance. The building and equipment are covered at replacement cost and there is a provision for losses resulting from business interruption, Erickson says.

Ironically, the plant had been closed for upgrading and that program was essentially complete with production scheduled to resume Feb. 15. The wood-framed building was consumed quickly and only the crushing and grinding equipment are identifiable in the wreckage.

Underground exploration and development, which is designed to prove up sufficient reserves to operate the mill at a sustained rate of 300 tons per day, will continue as planned, the company notes. The fire will delay production from Cusac Industries' adjacent property to the south which was to be a source of high grade feed for the mill.

A 1,300-ft. development drift has been completed into Cusac's Eileen vein and two raises are testing the structure's continuity to surface. Reserves are estimated to be 88,458 tons grading 0.87 oz. gold and 0.36 oz. silver, about twice the grade at Erickson. 104P/4E (104P 070)

Production is scheduled to begin in early February at Erickson's Mount Skukum gold mine 45 miles southwest of Whitehorse, Yukon. Discovered by Agip Canada in 1981, the mine will represent half of Erickson's annual gold output which has historically been from its Cassiar property.

NO. 32 (1986)
FEBRUARY 14, 1986

GCNL #32 14 FEB 1986 PETE, CORDOBA 104P/4E (104P 070)

CUSAC INDUSTRIES LTD. (CQC-V, CUSIF-Nasdaq)

PROGRESS REPORT REVIEWS GOLD MINE HISTORY - Guilford H. Brett, president of Cusac Industries Ltd. has reviewed the history of the gold mine at Cassiar, B.C., first discovered in 1979. Since then, over \$5,000,000 has been spent on exploration and development of the high grade gold reserves. Of this, approximately \$2,000,000 was spent in 1985. Cusac retains a 40% carried interest in the property reducing to 30% after Cusac has recovered \$3,000,000 from production. Erickson Gold Mines is operating the mine and holds the majority property interest. Recent exploration resulted in the discovery of a major new vein system that exhibits grades and strike lengths greater than any previously known on the property.

Work on the Eileen vein opened on surface a length of 1,200 feet by trenching and drilling to a depth of 150 feet. Drill indicated reserves on the vein are 88,458 tons averaging 0.87 oz. gold/t, 0.36 oz. silver/t, over mining widths varying between 4 feet and 15 feet. No geologically inferred reserve calculation has been made. A decline drift, 9 feet by 12 feet, was collared on Oct. 17, 1985, and intersected the Eileen vein 1300 feet from the portal on Jan. 7, 1986. The decline follows a path which crosscut then drifted 200 feet along the Eileen South vein which strikes almost at right angles to the main Eileen vein. Production from the Eileen vein is expected to start in mid-1986. Exploration in other areas of the property will continue in 1986.

Mr. Brett stated, "Traditionally, gold bearing zones at Erickson have extended to 1,000 feet or more below surface. There appears to be no geological reason why these new veins at Cusac should not be similar.....management feels the overall tonnage potential will be substantially higher."

There are 5,086,228 shares issued including 153,800 shares in escrow.

CUSAC INDUSTRIES LTD. (CQC-V, CUSIF-Nasdaq)

ERICKSON GOLD MINING CORP. (EGM-V, T)

WORK IS STARTING ON CUSAC'S - Cusac Industries Ltd. announces that a major exploration and development program is to CASSIAR DISTRICT PROPERTY start Cassiar, B.C., immediately. Work is being conducted by Erickson Gold Mining Corp. who, by spending \$1,600,000 on exploration and development or by placing the property back into production, would earn 60% interest in the property which interest would increase to 70% once Cusac has been paid \$3,000,000 out of production. 104P 070

The 1985 program envisioned by Erickson personnel is to include geologic mapping, trenching and diamond drilling, along with underground sampling and mapping. The aim is to confirm and extend previously outlined ore reserves so as to start mining as soon as possible. Some of the drilling will be on the "Pete" vein 2 miles south of the existing developed area. The Pete vein has returned high gold values from surface sampling in the past and, if drilling confirms these values, then the overall potential of the entire property will be enhanced considerably.

CORRECTION: Erickson shareholders recently approved the company's proposed acquisition of Total Eastcan Exploration Ltd. as stated in the text in the story in GCNL 122(85) page 3; the story's caption wrongly said the shareholders opposed the acquisition. GCNL #123 June 28, 85

MINER 21 OCT 1985 *Pete Cordoba*
 (104P/4E)
 (104P 070)

Erickson makes new gold discovery on Cusac ground near Cassiar, B.C.

VANCOUVER — A high grade gold discovery has been made by Erickson Gold Mines near its producing mine at Cassiar, B.C.

The property, which has generated "bonanza-type" ore values in the past, is held under option from Cusac Industries.

Three new high grade veins have been located by trenching and drilling, one of which — the Eileen south — has been outlined by trenching over a strike length of 344 ft. This vein, which is parallel to the high grade Dino vein previously mined by Cusac, averaged 0.306 oz. gold on surface over a thickness of approximately 3.3 ft.

Diamond drilling has confirmed the continuity of the structure "with some minor fault offsets," says President Jean-Pierre Januard, who adds that underground development will begin immediately.

According to Richard D. Somerville, vice-president and chief geologist, site preparation for the exploration decline has commenced. About 1,500 ft. of decline and some drifting is planned to give them a better picture of the vein structures. The program is being funded by a flow-through offering so the pressure will be on to complete the program this year so investors can get their desired writeoffs.

Two of the three veins, the Eileen and the Eileen East, strike approximately east and west and are along strike from one another. At the moment, their combined strike length is approximately 820 ft. The Eileen vein has been exposed on surface by trenching and ~~averaged 0.69 oz. gold and 1.6 oz. silver (uncut) over 3.3 ft.~~ Only a limited amount of drilling has been done on this vein but it confirmed a similar grade, says Erickson.

The strongest gold-bearing structure encountered in the program was the Eileen East, which doesn't outcrop but averaged 1.7 oz. gold (uncut) over an average thickness of 6.1 ft. This particular ore shoot has been explored by 13 diamond drill holes and occurs in the southern part of the large Erickson gold camp.

Mr. Somerville estimates that eight of those holes returned visible gold, suggesting that any material mined from the property might be amenable to gravity concentration which is the way most of Erickson's gold has historically been recovered.

A 2.5-mile access road has been bulldozed to the property from an existing haulage route and this access way would be utilized to haul material to the Erickson mill which is currently handling ore grading a bit higher than 0.3 oz. gold. The Northern Miner is told.

In recent years, head grades have declined substantially so the Cusac discovery could represent a welcome source of high grade material for the Erickson mill which has the ability to handle about 300 tons per day. At the moment, feed for the mill is coming predominantly from the Bear vein which should average 0.5 oz. gold. But after blending with lower grade material from other parts of the mine, the over-all grade drops to about 0.3 oz., says Mr. Somerville. Developing the Cusac property is part of a plan to shift emphasis somewhat from the main property which has been the mainstay of the company for years.

The three veins on the Cusac property are still open to depth and to some extent along strike, says Erickson, which notes that drilling will continue until freeze-up.

INT. PROS. & DEV.
 DEC 1985

Cusac Industries Ltd. VSE-CQC, NASDAQ-CUSIF

Cusac reports that three new high grade gold bearing veins have been found on its Cassiar, B.C. property under option to Erickson Gold Mines. The Eileen East vein was located by trenching and partially defined by drilling. Strike length so far is 344 feet. The vein strikes roughly north-south and is parallel to the previously explored high grade Dino Vein. Average grade on surface is 0.306 across one metre. Diamond drill hole 85-136 intersected 3.8 feet grading 12.69 ounces of gold and 4.08 ounces of silver. The Eileen and the Eileen East run east-west and are on strike and have a combined strike length of 820 feet. The Eileen is exposed at surface by trenching and grades 0.693 ounces of gold and 1.60 ounces of gold uncut over a thickness of one metre. The Eileen East does not show on surface but the 13 drill holes averaged out 1.749 ounces of gold uncut over 6.1 feet.

104P/4E (104P 070)

Pete Cordoba

Erickson Gold Mines has encountered bonanza-type gold values on ground optioned from Cusac Industries near Erickson's producing mine at Cassiar, B.C. Underground development was planned to reach the deposit late this year. Ore from Cusac could be treated at Erickson's mine where high grade mill feed is being depleted.

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ERICKSON GOLD MINES LTD.

CUSAC INDUSTRIES LTD.

CASSIAR, B.C.

EILEEN EAST VEIN

Drill Hole Intersections

Hole #	Intersections		Length M	Length Ft	Oz. Au/Ton	Oz. Ag/Ton
	From M	To M				
85-119	105.69	107.93	2.24	(7.4)	.325	0.11
85-120	45.1	46.05	0.95	(3.1)	6.44	0.52
85-121	46.4	48.15	1.75	(5.7)	0.01	0.09
85-122	67.0	67.66	0.66	(2.2)	0.105	0.03
85-126	53.9	55.2	1.3	(4.3)	0.01	0.17
85-131	86.0	89.96	3.96	(13.0)	1.50 (est)*	0.50 (est)
85-132	85.92	88.03	2.11	(6.9)	0.326	0.07
85-133	84.65	89.83	4.62	(15.2)	1.01	1.03
85-134	84.03	85.43	1.4	(4.6)	4.20	2.2
85-135	108.76	109.1	0.34	(1.1)	5.343	1.84
85-136	103.94	105.09	1.15	(3.8)	12.69	4.08
85-137	120.99	122.39	1.4	(4.6)	0.064	0.16
85-138	132.65	133.83	1.18	(3.9)	1.05	0.30

* 85-131: The core has not been split. The vein contains frequent showy occurrences of visible gold. The grade listed has been estimated conservatively.

CUSAC INDUSTRIES LTD. (CQC-V, Nasdaq-CUSIF)

RESULTS AND PROJECTIONS	SIX MONTHS	TWELVE MONTHS
	Ended Dec.31	Ending Dec.31
G.C.N.L. 105	1986 Actual	1987 Projection
JUNE 3, 1987		
Tons Ore Milled	27,000	54,000
Oz. Gold Per Ton	0.93	0.94
Oz. Gold Produced	24,262	48,520
Price of Gold/Oz.: Canadian	\$548	\$560
104P/5 U.S.A.	\$396	\$400
Gross Proceeds Can.	\$13,310,861	\$27,171,200
Operating Expense including mining, milling & admin. at \$150. Can. per ton **		\$ 8,100,000
Capital Plus Explo. Costs	\$3,800,000	1,000,000
Net Profit to Mine		\$18,071,000
Net Profit to Cusac *	\$ 1,678,831	\$ 5,771,300

*Cusac receives 40% of net profit to \$3,000,000 then 30% of any further profits..

Earnings Per Share 31.5¢ 1.08
 Shares Issued, Fully Diluted 5,300,000 5,300,000

** Costs in 1986 were \$115 Can. per ton of ore milled plus \$3,600,000 capital costs or \$133 per ton. In 1987 costs are assumed at \$150 per ton plus \$1,000,000 or \$18.50 per ton for exploration for a \$168.50 per ton cost. The Cusac mine property at Cassiar, B.C. is being operated by TOTAL ERICKSON RESOURCES LTD. (TLE-V,T; TLEXP-Nasdaq). The Cusac claims form only a portion of the Total Erickson property. As outlined to the recent annual meeting (See GCNL No.94, May 15, 1987) gold production for Total Erickson is forecast for 1987 at between 90,000 and 100,000 oz. gold. Of this, 45,000 to 50,000 oz. gold will be produced at each of the Cassiar properties, the Cusac property producing the bulk of this production, and the Mt. Skukum mine located 50 miles south of Whitehorse, Yukon. Cusac is entitled to 30% or 40% of the net profits from their property at Cassiar. Total Erickson is entitled to 37.5% of the gold produced at the Mt. Skukum mine, that is between 16,800 and 18,700 oz. gold in 1987. Total Erickson's net production is therefore expected to be between 44,000 and 49,000 oz. gold in 1987.

Guilford H. Brett, president of Cusac, stated the above projections are made on the assumption that the high grade production in 1986 from the Eileen vein is continued through 1987. He noted that the mine may not be able to sustain these grades for all of 1987, however the drilling completed in the eastern portion of the new vein ore zone indicates grades substantially higher than the mine average. The Michelle zone was recently discovered on the Cusac property and has been opened for mining with stopes established. The annual report stated the Michelle zone is sub-parallel and similar in structure to the Eileen vein.

Two significant drill hole intersections have shown very high grades over substantial widths, and indicate the potential for this vein system to host a major orebody.

87-198	13 ft.	1.49 oz. gold/t	1.29 oz. silver/t
87-200	2 ft.	8.129 oz. gold/t	1.70 oz. silver/t
87-200	10.8 ft.	11.681 oz. gold/t	3.23 oz. silver/t

The new discovery will increase the tonnage and significantly increase the average grade of the ore reserves. The intersection in C-87-200 of 10.8 feet grading 11.68

oz. gold/t on the Cusac property in January 1987, is thought to represent a further possible new orebody. A recently completed drill hole located about 100 feet east of hole C-87-200 returned 6.5 feet of 3.74 oz. gold/t. This hole is part of an extensive \$500,000 to \$800,000 exploration budget for 1987 made up mostly of surface diamond drilling to establish tonnage and grade.

Mr. Brett stated that Cusac directors are considering paying a dividend in 1987.

Cusac has a 20% interest in the Yakataga Beach placer deposit, Alaska, where a 500 cubic yard per day gold recovery sand washing plant is on site. The deposit is estimated to grade \$9.54 U.S. per cubic yard with gold at \$400 U.S. per ounce and costs are forecast at \$4.00 per yard. First results are expected to be available about mid-summer but it is expected to take a full season's production to accurately establish operating costs and potential profitability.

In the Toodogonne River gold camp in northern B.C. Cusac has a 25% participating interest in a property adjoining the Energex project where Duke Minerals Inc. plan to drill a geochemical and induced polarization anomaly in July, 1987. Cusac also owns 100% interest in 48 units north of the Energex gold property in this area.

In addition, Cusac owns 20% interest in the Gold Hawk syndicate seeking gold projects in southwest U.S. and Mexico. The syndicate has acquired three gold properties to date and is currently examining several potentially economic gold deposits in Mexico.

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NM MINER
13 DEC 1984

Erickson consolidates position at Cassiar with Cusac property

VANCOUVER — Erickson Gold Mining has further consolidated its position in the Cassiar gold camp by optioning a 100% interest in Cusac Industries' 8.85 sq. mile property adjoining the Erickson mine holdings. Cusac will retain a 40% net profits interest

until \$3 million has been paid and then its interest will drop to 30%.

Cusac has been exploring the property for a number of years and the work has included considerable diamond drilling and underground development. At one point Cusac operated a portable mill on the prospect.

Some very high grade gold values have been encountered which no doubt will augment production at Erickson when the Cusac property is developed. Erickson says it will begin exploration "as conditions permit."

Erickson is actively developing the Mount Skukum gold discovery southwest of Whitehorse under an agreement with AGIP Canada so it has no shortage of excellent gold prospects to pursue.

Meanwhile, Cusac is developing its Yakataga placer gold deposit 250 miles southeast of Anchorage, Alaska where field work this summer indicated the top 10 ft. of beach and sand berm averaged about \$US15 per cu. yd. of which 85% is recoverable. The property is held under lease by Alaskagold Mines in which Cusac has a 30% interest.

PETE,
CORDOBA
104P/4E
(104P 070)

GCNL #68 9 APRIL 1985 CUSAC INDUSTRIES LTD. (CQC-V)(CUSIF-Nasdaq) 94E/6E, 7W
TOODOGGONE AREA CLAIMS ACQUIRED - Cusac Industries Ltd. has acquired an option to purchase a 100% interest in the Ranger 3 and 4 claims located adjacent to Energex Minerals Ltd. in the Toodoggone area, B.C. These claims are underlain by the favourable Toodoggone Formation and are located straddling a major fault zone.

Cusac has also been granted a three year option to back-in to earn a 25% working interest in three other claim blocks adjoining Energex on their southern boundary. These claims are owned by other mining companies who have planned extensive exploration programs this season. Work on the Cassiar gold property will commence as soon as the weather permits under the direction of Erickson Gold Mines who have optioned the property. A major development program is also planned for the large Yakataga Beach Gold Placer deposit in Alaska, in which Cusac holds a 30% interest. Cusac anticipates that a major announcement regarding this property will be made in the next few months.

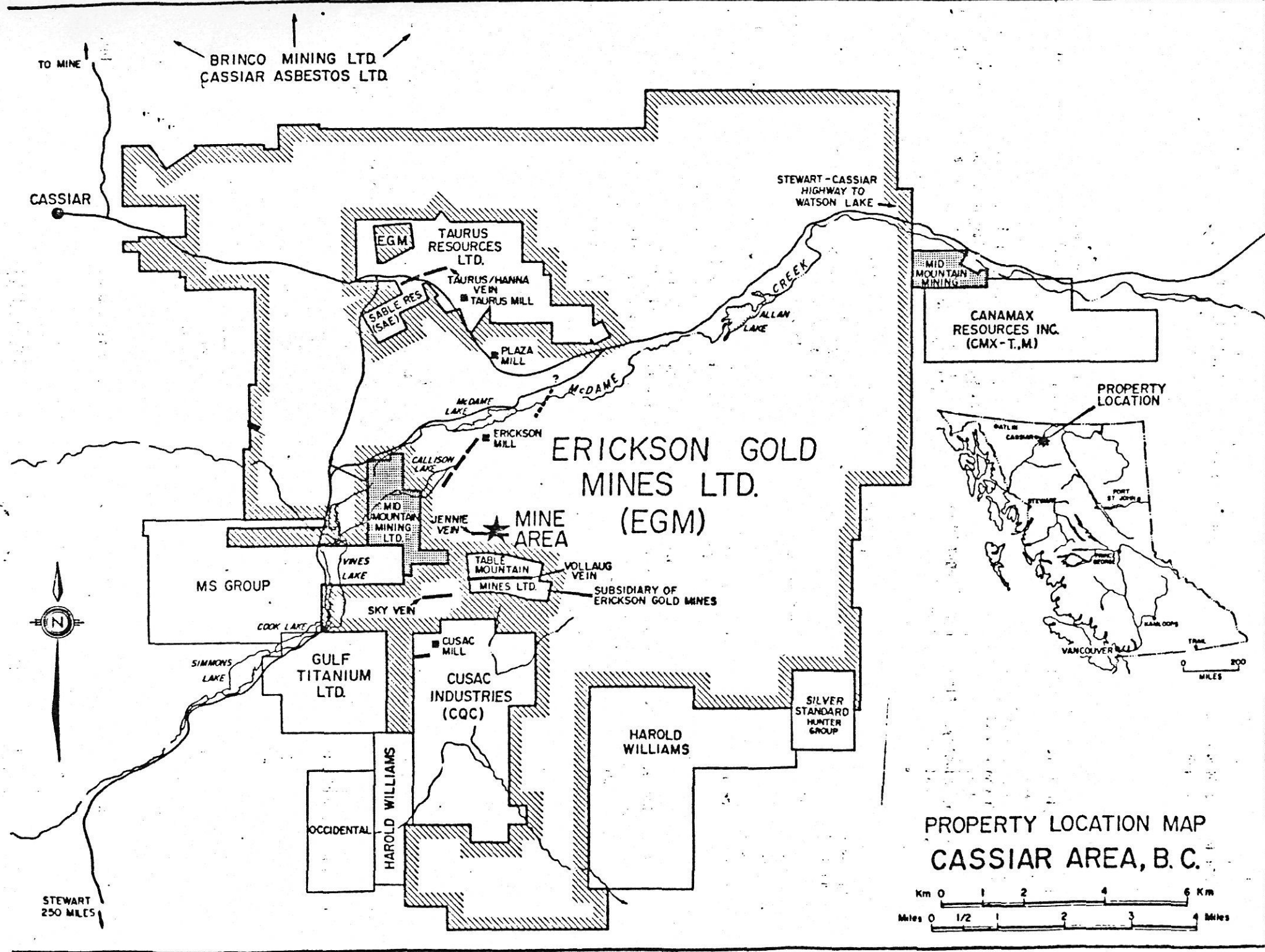
PETE, CORDOBA
104P/4E (104P 070)

GCNL #123 26 JUNE 1985 CUSAC INDUSTRIES LTD. (CQC-V, CUSIF-Nasdaq) ERICKSON GOLD MINING CORP. (EGM-V, T)
PETE, CORDOBA 104P/4E (104P 070)

WORK IS STARTING ON CUSAC'S - Cusac Industries Ltd. announces that a major exploration and development program is to start at Cassiar, B.C., immediately. Work is being conducted by Erickson Gold Mining Corp. who, by spending \$1,600,000 on exploration and development or by placing the property back into production, would earn 60% interest in the property which interest would increase to 70% once Cusac has been paid \$3,000,000 out of production.

The 1985 program envisioned by Erickson personnel is to include geologic mapping, trenching and diamond drilling, along with underground sampling and mapping. The aim is to confirm and extend previously outlined ore reserves so as to start mining as soon as possible. Some of the drilling will be on the "Pete" vein 2 miles south of the existing developed area. The Pete vein has returned high gold values from surface sampling in the past and, if drilling confirms these values, then the overall potential of the entire property will be enhanced considerably.

CORRECTION: Erickson shareholders recently approved the company's proposed acquisition of Total Eastcan Exploration Ltd. as stated in the text in the story in GCNL 122(85) page 3; the story's caption wrongly said the shareholders opposed the acquisition.



5

NMINER
5 APR 1984

Cusac Industries reports the 1983 drill program on its Cassiar gold project increased drill-indicated reserves to 50,000 tons grading 0.43 oz. gold per ton. That's 15,000 more than at the beginning of the exploration season. This tonnage only represents the Cordoba claim area to a maximum depth of 150 ft.

Cusac says approximately 1,200 ft. of drifting and 250 ft. of raising was completed last season. The company's pilot mill operated sporadically and, although the Freddy vein was encountered early in the drifting program, the grade of material encountered (0.3-0.35) was not high enough to give good recoveries in the small pilot mill.

That same drift intercepted the Hot vein at 1,066 ft. over a distance of 250 ft. The average true width was five feet but it did widen to seven feet in places, says Cusac. While significant amounts of lead, zinc and copper mineralization were found in that section of the drift, gold values were not high enough to make ore. Several raises, however, averaged 0.2-0.25 oz. gold per ton. The company has recovered about 500 oz. gold in the pilot mill so far. Cusac adds that several groups are interested in joint venturing the property but no satisfactory offer has been made to date.

(104P 070)
(104P 4E)

NO. 225(1984)
NOVEMBER 22, 1984

GNL #225 22 NOV 1984

CUSAC INDUSTRIES LTD. (CQC-V)(CUSIF-Nasdaq)

NEW FUNDING SECURED - Cusac Industries Ltd. has agreed to sell 150,000 units at \$1.40 each to generate \$210,000 for property exploration work. The company's claims are located in the Queen Charlotte Islands. Each unit is to consist of one "flow through" share and one non-transferable share purchase warrant exercisable at \$1.65 per share for one year.

Cusac expects to conclude an agreement on Wednesday 21 Nov 84 for the further development of its gold property located at Cassiar, B.C. A work program of \$1,225,000 is planned, along with firm payments to Cusac of \$200,000 and optional payments of an additional \$200,000. If the agreement is completed, Cusac will retain a 40% interest. Details will be announced upon signing.

PETE, CORDOBA (104P 4E) (104P 070)

1103

CUSAC INDUSTRIES LTD. (CQC-V)(CUSIF-Nasdaq) ERICKSON GOLD MINES, INC. (EGM-V, T)
TABLE MOUNTAIN HIGH GRADE GOLD VEINS TO BE FURTHER EXPLORED - At Cassiar, B.C. the Cusac Industries Ltd. property has

produced some of the best looking high grade gold samples to come out of the country. After lengthy negotiations, Erickson Gold Mines, Inc. has taken an option, effective 22 Nov 84, to earn a 60% net profits interest in the Cusac property on Table Mountain by making property payments and exploration expenditures to a total of \$1,625,000 over the next four years. Cusac will retain a 40% net profits interest at the conclusion of four years. A provision has also been negotiated whereby Erickson may earn their 60% interest prior to the full payments and expenditures by placing the property back into production. Erickson is operating its own gold mine on property adjoining the Cusac property. (See property location map overleaf.)

Work on the property is to commence immediately and the correlation of data and geology will take place over the winter. It is expected that a comprehensive exploration program will be conducted during 1985 due to Erickson's ability to use their permanent facility and manpower. To date, only a small portion of the total claim area has been examined and then only to a maximum depth of 150 feet. The known structures contain 50,000 tons of drill indicated reserves averaging 0.43 oz/ton gold and there is a potential for the discovery of additional veins, as well as extensions of mineralization in the known structures.

(12)

GENL #137 18 JULY 1983 CUSAC INDUSTRIES LTD. (104P/4E) (104P 070)
CONTINUOUS MILL OPERATION ACHIEVED - Cusac Industries Ltd. has announced that the tune up phase of the 50 ton per day mill is now complete at the gold property near Cassiar, B.C. Continuous operation has been achieved for one week. Recovery of gold appears to be satisfactory. Mill feed is currently being supplied from the Freddy Vein stockpile which indicated grades in the 0.3 to 0.4 ounces gold per ton range.

Development work underground is continuing on a two shift basis under the direction of Jackpot Mining Developments Ltd. The 150 ft. ventilation raise has not been completed to surface. A second raise in the same area of the Hot Vein is being considered. Recent surface work on an anomaly southwest of the "Cominco Vein" has encountered a zone containing visible gold. This zone may be a continuation of the "Cominco Vein" or a new structure. Drilling of this target will commence immediately.

NMIMER 11 AUG 1983

Cusac Industries says the tuneup phase on its Cassiar gold mill has been completed and "satisfactory" gold recoveries have been obtained. The mill is being fed with stockpiled ore mined from the Freddy vein and that material is thought to average from 0.3 to 0.4 oz. gold per ton, says the company. Underground development work is continuing on a 2-shift basis and recently a 150-ft. ventilation raise was completed to surface. A second raise in the Hot vein is now being considered.

Cusac also reports that recent work southwest of the Cominco vein encountered visible gold, suggesting it might be a continuation of that vein or a separate structure altogether. Drilling of this target is scheduled to begin shortly, the company adds.

(104P/4E)
(104P 070)
PETE, CORDOBA

GENL #198 13 OCT 1983 (104P/4E) (104P 070) GULF TITANIUM LTD. CUSAC INDUSTRIES LTD. CORDOBA

WORKING CAPITAL ARRANGED - Gulf Titanium has pledged a term deposit of \$100,000 as security FOR GOLD MINE AT CASSIAR for an operating bank loan which has been granted to Cusac Industries Ltd. Cusac are using the proceeds of the bank loan as working capital in the continuing operation of the high grade gold mine at Cassiar, B.C., where over \$2,000,000 have been spent on its exploration and development. Drill indicated reserves are estimated at 50,000 tons grading 0.43 oz. gold per ton. A 40-ton per day capacity concentrating plant has been operating at the mine for the past 2 months.

For providing the loan guarantee, Gulf Titanium will receive a bonus of Cusac treasury shares up to 20% of the face value of the loan when the bank releases the guarantee.

NMIMER 20 OCT 1983

Gulf Titanium has pledged \$100,000 as security for an operating bank loan which has been granted to Cusac Industries. The proceeds of the bank loan are being used by Cusac as working capital in the continuing operation of the high grade gold mine at Cassiar, B.C. where over \$2,000,000 has been spent on exploration and development.

Drill indicated reserves are estimated at 50,000 tons grading 0.43 oz. gold per ton. A 40 ton-per-day capacity concentrating plant has been operating at the mine for the past two months.

For providing the loan guarantee, Gulf Titanium will receive a bonus of treasury shares of Cusac up to 20% of the face value of the loan.

PETE, CORDOBA
(104P/4E) (104P 070)

Cusac Industries

Great Advances Forseen As Development Continues

Development at Cusac's Cassier property in British Columbia is well ahead of schedule according to Cusac Industries President Guilford Brett. Major advances are predicted for 1983 along with the establishment of greater quantities of proven reserves. With sufficient cash reserves in the bank, Cusac plans to continue the underground drift program initiated in 1982.

Over 1,000 tons of mined ore graded at 0.2 to 0.4 ounces of gold per ton is presently available for mill feed. Mill placement is slated for completion prior to June 10 at which time tuneup is to have commenced. The mill's rated capacity of 50 tons per day is expected to be met by early July.

Other developments include a 4,000-foot diamond drill program resulting in three holes, two hitting at Line 5. Ore has been shipped and assay results are forthcoming. Underground drift at Line 9 is at 900 feet and appears to be within 30 feet of the "Hot" vein target. Stopping will begin shortly.

Drill indicated reserves to 120 feet are currently calculated at 36,252.7 tons of ore. Similar quartz veins of the adjoining Erickson property persist to a depth in excess of 100 feet with no decrease in grade. It is the hope of Cusac that the same will prove true for Cassier.

PETE, CORDOBA
104P/4E
(104P 070)

WMINER
JUNE 1983
**Cusac prepares for
June '83 start-up**

Cusac Industries Limited will start processing ore through its 50 ton/day concentrator in June 1983. The underground gold mine at Cassiar, BC has reserves of 36,250 tons grading 0.43 oz/ton of gold. Work on a 7ft x 7ft tracked main haulage level was completed late May. The main objective of the level is the Hot vein, 900ft from the portal, 150ft below surface. The company has a surface stockpile of about 800 to 1000 tons grading between 0.25 and 0.3 oz/ton gold.

PETE, CORDOBA
104P/4E
(104P 070)

GCNL #87 5 MAY 1983

(PETE, CORDOBA)
CUSAC INDUSTRIES LIMITED

104P/4E

(104P 070)

- * Underground Mine Development Underway Toward Planned Start of Milling on June 1, 1983
- * Carefully Planned Diamond Drill Program to Test Known Ore Bearing Veins Also Started

Advancing of the seven-foot by seven-foot, tracked, main haulage level on the Cusac Industries Limited gold mine at Cassiar, B.C., resumed on 20Apr83. The two shift per day program is advancing the level 20-25 feet per day and is expected to complete the 500 feet to the target in about three weeks, approximately 20May83. When the underground crosscutting resumed in 1983, the face was 480 feet from the portal. The level was collared and driven in the Fall prior to freeze up.

The primary objective of the level is the Hot vein, 900 feet from the portal, 150 feet below surface, and about 50 feet below a diamond drill hole which confirmed the vein and gold values to that depth. In recommending the driving of the level, John R. Poloni, P.Eng., calculated reserves on the property at 36,250 tons grading 0.43 oz. gold per ton, including 12,000 tons in the Hot vein above the 120-foot level. The average width on the vein is five feet within the reserve area. Included within the reserve grade calculations are a number of areas where the values range between 3.0 and 7.0 oz. gold per ton. While these high values are excluded in ore reserve calculations, it is hoped that when mining and milling operations are underway these higher grade areas will add to the head grade in a significant way. When the Hot vein has been intersected, it is planned to turn the level and drift both ways along the vein as well as driving raises for mining ventilation and safety.

At the same time as this underground development is underway, the company has let a contract for a minimum of 4,000 feet of diamond drilling to test for extensions of the Hot and Freddy veins and other targets.

The company had completed construction of a 50-ton per day concentrating plant which was tested in the fall of last year. Cusac has retained Doug Redden, who has had considerable experience operating similar plants, as mill manager. Tuning up of the plant has started in anticipation of full operation about 1Jun83. The company has a surface stockpile of about 800 to 1,000 tons grading between 0.25 and 0.30 oz. gold per ton. This material will be used in the tune up period and as mining and milling capacities increase.

At approximately 178 feet from the portal of the main level, the crosscut intersected the Freddy vein across a 6-foot width grading 0.55 oz. gold per ton. The Freddy vein was drifted along for some 60 feet across an average width of 6 feet grading between 0.35 and 0.45 oz. gold per ton. The extensions of this vein will be drifted along as a second phase of exploration and development in the current program. The underground values on the Freddy vein have been in the 0.3 to 0.6 oz. gold per ton range and indicate a three to four times increase from the 0.1 to 0.15 oz. gold per ton values obtained in the diamond drilling from surface. The company has drilled a total of 46 holes from surface on the property; most have been to depths of less than 100 feet. The work to date has shown no diminution of grade at depth. The depth potential for these veins is considered similar to that at the nearby Erickson Gold Mine where gold values are making ore at 750 feet below surface and where the geological conditions are considered similar to those on the Cusac mine.

A further target for the exploration program is the Dino vein which has yielded, in a mining test, 500 tons grading 2.19 oz. gold per ton. This vein is open to extension down dip and along strike and will be tested this season.

GCNL #112 10 JUNE 1983 CUSAC INDUSTRIES LIMITED

VEIN OPENED BY UNDERGROUND WORKINGS

DETAIL SAMPLING UNDERWAY-ASSAYS AWAITED

The Hot Gold vein has been intersected, as projected, in underground workings on the Cusac Industries Limited property near Cassiar, B.C. The vein is $3\frac{1}{2}$ feet wide where intersected at a point 1050 feet from the portal, 150 feet below surface and 50 feet below the nearest diamond drill hole intersection. Where opened, the quartz vein has strong well defined walls. Previous work on the vein, on surface and drilling, returned values between 0.30 and 0.70 oz. gold per ton with the average calculated at 0.43 oz. gold per ton.

John Poloni, P.Eng., senior mine consultant to Cusac, will sample the vein where intersected and along the drift as it advances to the north east in the vein. The initial phase of this drifting is to be a minimum of 150 feet and is now underway. The objective is to establish an ore shoot where mining can start as soon as possible.

As the adit level advanced toward the Hot vein, a parallel vein was discovered. This parallel structure will now be diamond drill tested from surface. As drill results warrant, it is planned to drift along this new vein.

Exploratory diamond drilling is also underway testing other gold targets on the property.

NYMINER 24 FEB 1983

Cusac Industries says major design changes were made to its Cassiar, B.C., gold mill last year to improve recoveries above the 72% rate achieved in 1981.

The work force averaged 12-18 men for the year and to date 409 oz. of gold have been produced from 497 dry tons mined in 1981 and a further 300 tons in 1982. Milling operations are scheduled to commence once weather conditions permit and the company is well financed after a recent units offering which netted \$424,000. Should the A and B warrants be exercised Cusac would receive an additional \$720,000.

The underground adit was advanced some 429 ft. and encountered a vein structure which could supply mill feed while development continued on towards the "hot" vein. Seven drill holes into the vein, which was encountered about 178 ft. in, and was 5.5 ft. wide, indicated a grade of 0.1 oz. to 0.15 oz. gold per ton, although muck samples ran 0.44 oz.

PETE CORDOBA

104P/4E

(104P 070)

INTER. PROS & DEV. JAN - FEB 1983

Cusac Industries VSE - CQC

Cusac President Guilford Brett states the company, with over \$400 thousand working capital from a successful 200,000 units offering, anticipates early startup on continuation of the development drift and gold milling operations on Table Mountain adjoining gold producer Nu-Energy, near Cassiar B.C. Company President Brett said gold recovery improved significantly after mechanical modifications to the mill were carried out and a shaking table installed to recover free gold. Probing of the Cusac Reserves has not extended below 120 feet while Nu-Energy's similar quartz veins are known at 700 foot depths with no decrease in grade.

PETE CORDOBA

104P/4E

(104P 070)

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Underground work began on Cusac Industries, gold property near Cassiar, B.C., in early October towards a target area 900 ft. from the portal, says the company. Several good intersections were encountered by diamond drilling in this area in 1981 ranging from 0.25 oz. to 0.6 oz. gold over widths of two-six ft.

Cusac expects to supply its 50 ton per day mill (which is now fully operational) with material from the Freddy vein, located a short distance in from the portal. The company notes that substantial modifications to the mill required lengthy shut-downs and, as a result, Cusac was unable to realize its projected cash flow to date.

Cusac also states there is a good chance of discovering other gold veins by drifting in untested portions of the favorable geological structure. Fifteen men are employed at the mine and mill site and the camp is completely winterized, says Cusac.

PETE, CORDOBA

GCNL #20 31 JAN 1983 CUSAC INDUSTRIES LIMITED 104P/4E (104P 070)
CASSIAR B.C. GOLD MINING OPERATION REVIEWED - Guilford H. Brett, president of Cusac Industries Limited, has reported on the operations at the company's gold mining operation near Cassiar, B.C. To date, the company has recovered 409 oz. gold from 497 tons in 1981 and 300 tons processed in 1982. The recovery was calculated at 72% of the head grade.
PETE, CORDOBA

In 1982, operations started in May with a \$25,000 working capital loan from the Royal Bank. The work force during the year has varied from 12 to 18 men. Several major design changes were initiated in regrading the 50-ton per day concentrator. These changes included: installation of a roll crusher for fine grinding; installation of a cyclone separator, belt dryer, shaking table for free gold recovery and refitting of hydraulic mill system.

On Sept. 28, 1982 the company started a portal near the Dino vein with a target length of 900 feet where the intersection of the Line 9 "hot" vein was projected at a point 150 feet below surface. Limited drilling indicated reserves of 36,250 tons grading 0.43 oz. gold per ton, including 12,000 tons outlined to a depth of 120 feet. The zone is open to possible extension in all directions. These reserves are to a depth of 120 feet and similar quartz veins on the Nu Energy property two miles away persist to at least 700 feet of depth with no decrease in grade. The cross-cut face is 429 feet from the portal or approximately half way to the target.

At 178 feet from the portal, the working intersected the Freddy vein across a width of 5½ feet. The vein was drifted on for 60 feet with an average width of 6 feet. Drill data from seven drill holes in the Freddy vein had indicated a grade of 0.1 to 0.15 oz. gold per ton.

The president expects to resume property work as soon as winter conditions permit.

The company recently sold 200,000 units at \$2.30 each to receive \$424,000 net to the treasury through Odlum Brown Limited and Walwyn Stodgell Cochran Murray Limited.

GCNL #28 10 FEB 1983 CUSAC INDUSTRIES LIMITED 104P/4E (104P 070)
CORRECTION - ADDITION - In the story on Cusac Industries Limited on page three GCNL No. 20, January 31, 1983 it was stated that seven drill holes on the Freddy vein returned an average grade of 0.1 to 0.15 oz. gold per ton. Gilford H. Brett, president stated that the next several comments in the company report were most important and since they were left out of the Jan. 31 story should be reported. The comments are: "However, surprisingly, visible gold is quite common in the vein, and the most significant and most reliable assay to date, was taken from the broken ore stockpile from the vein, by Ralph McGreevy, P. Eng., resident engineer. He described the material sampled as; "a composite sample of quartz chips from all parts of the muckpile". The assay value for this sample ran 0.44 oz. gold per ton. The Freddy Vein therefore, represents an excellent source of good grade ore not previously known.
PETE, CORDOBA

GCNL #149 5 AUG 82

CUSAC INDUSTRIES LIMITED

104P/4E

104P

070

PETE, CORDOBA

GOLD CONCENTRATING PLANT - Guilford H. Brett, president of Cusac Industries Limited, has NOW IN FULL PRODUCTION reported that the 50-ton per day capacity concentrator plant at the company's gold mine near Cassiar, B.C. is now in production. A stockpile of approximately 300 tons of ore grading in the 0.5 to 0.8 oz. gold per ton range, (diluted) is ready for processing. 300 tons of undiluted quartz vein material from this section, milled at Erickson Gold Mine in 1981, averaged 2.19 oz. gold per ton.

The "Hot" vein in the Line 9 area of the property has been prepared for immediate mining. The grade, as indicated by drilling, in this portion of the vein ranges between 0.5 and 2.0 oz. gold per ton over a width of 2 to 4 feet. Ore from this area together with ore from the "Dino" vein is sufficient to operate the mill at its rated capacity.

Surface exploration is continuing and several high gold anomalies discovered during the 1981 field season are being actively investigated. The property adjoins Nu-Energy (Erickson Gold Mines) to the south.

MINEX 12 AUG 82

Cusac Industries reports its 50 ton per day Cassiar, B.C. mill is now in production. Three hundred tons of stockpiled material grading from 0.5 oz. to 0.8 oz. gold per ton is ready for processing and management notes the "Hot" vein area has been prepared for immediate mining. Drilling thus far suggests the grade here averages between 0.5 and 2.0 oz. over widths of 2-4 ft.

The company says ore from this area and from the Dino vein is "sufficient to operate the mill at its rated capacity."

PETE, CORDOBA

104P 070
104P/4E

GCNL #212

4 NOV 82

CUSAC INDUSTRIES LIMITED

104P/4E

104P

070

PETE, CORDOBA

MAJOR PROGRAM STARTED - Near Cassiar, B.C., a 7-foot by 7-foot track drift is now well under- AT B.C. GOLD PROPERTY way at the gold property of Cusac Industries Ltd. adjoining the Erickson gold mine of Nu Energy Development Corp. to the south. Cusac president Guilford H. Brett says underground work started early in October and has already advanced 100 feet from the portal. Work is now proceeding on a 2-shift basis. The work is being done by Jackpot Mining, well known mining contractors. The target area, as indicated by the 1981 drill program, is about 900 feet from the portal. At this point, several ore grade intersections were obtained from the drilling with assays ranging between 0.25 and 0.6 oz. gold/ton over widths varying between 2 feet and 6 feet. Some "bonanza" type gold has also been encountered in this area, in drilling and on surface.

Mr. Brett says the Freddy vein, which lies just ahead of the drift face, should be inter- cepted in a few days. It is planned that material from this vein will provide mill feed to the 50-ton per day mill, which is now fully operational on the property. Substantial modifi- cations to the mill required lengthy shutdowns that prevented the company from realizing its projected cash flow to date.

Much of the planned drift advance is through an area of highly favourable, but yet "untested" geologic structure. As both Cusac and Erickson gold mine to the north are multi- veined properties, it is expected that other gold bearing veins will be discovered in the drift. The Cusac camp is winterized and there are currently 15 men employed at the mine and mill site.

GCNL #89 10 MAY 82

CUSAC INDUSTRIES LIMITED

PETE, CORDOBA
104P/4E 104P 070

GOLD PRODUCTION BEING RESUMED AT CASSIAR, B.C. - Guilford H. Brett, president, reports that Cusac Industries Ltd. plan to resume production at their 100% owned gold property near Cassiar, B.C., by mid-June, 1982. Snow removal and camp rehabilitation are already in progress. A contract has been negotiated with Jackpot Mining Services Ltd. to start underground development of the high grade Dino vein. A short decline is planned to intercept the vein 100 feet below surface. This should immediately make available for mining about 1,000 tons of high grade material. Mr. Brett says a mill run of 280 tons of this quartz vein material averaged 2.19 oz. of gold per ton. It is expected that grade of this tenure will continue throughout this portion of the structure. Cusac's 30 to 50 ton/day mill will undergo minor modifications to enhance recoveries. The company has been fortunate in retaining the services and expertise of Mike Smith, well known mill man who will be responsible for the milling operations.

Subject to financing, Cusac plan to carry out the full program recommended by John R. Poloni, B.Sc., P.Eng., in this 19Dec81 report in which he recommends expenditure of \$948,200 in two phases. Mr. Poloni stated: "diamond drill inferred reserves were calculated to be 105,470 tons in all categories, at 0.180 oz. gold and 0.097 oz. silver per ton. Included high grade material was calculated to be 36,252.7 tons at 0.43 oz. gold and 0.24 oz. silver per ton. Numerous surface showings of gold-silver bearing quartz veins, several sections of ore grade material being cut in diamond drill holes, interesting geological and mineralogical features similar to gold bearing areas in eastern Canada and the Cordillera, makes the property one of excellent production potential."

Mr. Brett notes that those tonnages reflect only the upper portion of the veins drilled to about 100 feet of depth. On property adjoining Cusac to the north, similar gold bearing quartz veins being mined by Erickson Gold Mines Ltd., owned 50% by Nu-Energy Development Corp., persist to depth, with no decrease in grade. (For recent report of best month's production to date by Erickson/Nu-Energy, see GCNL 86(82).)

NMINER 20 MAY 82

Cusac Industries expects to resume production at its 100% owned gold property near Cassiar, B.C., by mid June. A short decline is planned to intersect the Dino vein at 100 ft. below surface which would make available 1,000 tons of high grade material, a company official reports.

104P/4E
104P 070

Minor modifications are planned for the 30-50 ton per day mill to enhance recoveries and a consultant states the property has inferred reserves of 105,470 tons averaging 0.18 oz. gold and 0.097 oz. silver per ton with potential elsewhere on the claims.

- PETE, CORDOBA -

MINER JUNE 82
Cusac resumes production at Cassiar gold mine

Cusac Industries Ltd plans to resume production at its 100% owned gold

property near Cassiar, BC by mid June 1982. Snow removal and camp rehabilitation is already in progress, and an interim contract has been negotiated with Jackpot Mining Services Ltd to commence underground development of the high grade vein. Reserves are estimated at 105,470 tons in all categories at 0.180 oz/ton gold and 0.097 oz/ton of silver. High grade material is calculated to be 36,252.7 tons at 0.43 oz/ton gold and 0.24 oz/ton silver.

PETE, CORDOBA
104P/4E
104P 070

5

Cusac ends joint venture with Plaza

Cusac Industries is prepared to go it alone with the \$1.5-million exploration and development program on its Cassiar, B.C. prospect. Last month, the company terminated the joint venture with Plaza Mining because, Cusac told The Northern Miner, Plaza became delinquent with its September, October and November payments. But how the termination will be settled is unclear at this point.

Cusac President Guilford Brett said that when the two companies went into partnership in December, 1978, (Cusac 55%, Plaza 45%) they pooled claims which each held separately. However, as Cusac's seven claims and Plaza's four claims remain under the respective company's name, it is likely that Plaza's claims will revert to that company.

Further clouding the issue is a clause in the agreement, mentioned in the Apr. 15 Statement of Material Facts, which states:

"If either party failed to participate for its full share of any recommended program, its interest in the Joint Venture was to be reduced to a 5% retained non-assessable interest."

Mr. Brett said he hasn't heard from Plaza officials and doesn't know if Plaza will try to remedy the situation and hang on to the partnership. Mr. Brett would not reveal the amount Plaza is owing them, but said, despite the financial strain arising from the termination, Cusac is solvent and has a \$250,000 line of credit from the Toronto Dominion Bank. He said Cusac is also talking to other interested companies in a possible participation, while an equity financing is possible if the market improves.

Cusac once before ran into problems with Plaza over payments. But the B.C. Supreme Court in March, 1981, judged that Plaza retains a 45% interest in the venture. As Mr. Brett recalls, the joint venture was conceived with the idea that Cusac would do the prospecting and Plaza would bring in the mining and milling aspects of the project. However, Plaza was "about a year and a half late getting into the Cassiar ... when you're sitting in an office downtown it may not seem that long, but when you're out there in a tent it is," Mr. Brett explained. It wasn't until 1981 that Plaza erected a 125-ton mill, to be available to the venture, on its nearby separately-held prospect.

Most of the 1981 joint venture program was carried out on claims held by Cusac which Mr. Brett personally staked. A total of 11,000 ft. has been drilled, of which 8,100 ft.

was NQ diamond drilling. The program was to confirm and extend three high grade gold bearing veins delineated in 1980 on the Cordoba claim which is a strong north-south trending structure.

Mr. Brett says what now appears is a swarm of gold bearing quartz veins in faults at various attitudes attending an incipient north-south major fault. The veins average between 2.5-4 ft. in width while several 8-10 ft. veins of low gold values ranging 0.1-0.2 oz. gold per ton also exist on the property. In places, the fault is associated with a later high grade silver, gold, manganese, base metal horizon. Surface chip samples of this material ranged 0.78 oz. gold, 0.6 oz. silver over 23 ft. to 3.29 oz. gold and 0.7 oz. silver per ton over 6.5 ft. A selected high grade sample of quartz-manganese assayed 338 oz. silver per ton.

The vein swarm, encountered on surface or by diamond drill over 2,500 ft. is open to the north and south and is covered by 10-15 ft. of overburden or sedimentary rock.

Surface work in the 1981 season encountered four additional gold quartz veins with surface assays ranging 0.26 oz. gold over 2.5 ft to 8.5 oz. gold per ton over two feet in the Prosser vein.

Underground work is planned for next year. The \$1.5-million program is expected to include drifting to a minimum of 1,000 ft. The size of the drift will be either 7 x 9 ft. or 8 x 10 ft. depending on the final feasibility study.

Plaza officials declined to comment on the joint venture termination. However, last month, the company told The Northern Miner that it was negotiating a \$700,000 loan for development work on the Vol-laug vein on its own prospect in the Cassiar where 75,000 tons of gold bearing ore has been established, with a potential ore reserve of 600,000 tons averaging 0.5 oz. gold per ton. As of Oct. 25, the company milled 5,344 tons of ore from which it retrieved 2,234 oz. of gold contained in flotation and jig concentrates or in the circuit. Plaza shares have been suspended on the VSE since late November at the company's request.

104P/4E
104P 070

PETE CORDOBA

GNL #237 11 DEC 81 CUSAC INDUSTRIES LIMITED 104P/4E 104P 070

EXPLORATION IN PAST SEASON ON CASSIAR, B.C. PROPERTY REVIEWED - In a Dec.9,1981 progress report, Gullford H. Brett, president of Cusac Industries Limited, reported on the 1981 exploration program on the Cassiar, B.C. gold property. The work included 8100 feet of diamond drilling.

The area under investigation adjoins to the south the Erickson Gold Mines-Nu Energy mine and is within a strong north-south trending structure containing three high grade gold bearing veins. The drilling was designed to confirm and extend these veins. In general, what appears to be developing is a swarm of gold bearing quartz veins in faults. The veins average between 2 1/2 feet to 4 feet in width. Several 8 to 10 feet veins exist on the property but values are usually low, 0.1 to 0.2 oz. gold/t range. In places this fault is also associated with a later high grades silver, gold, manganese, base metal horizon. Samples of this material have returned assays ranging from 0.78 oz. gold and 0.6 oz. silver/t over 23 feet to 3.29 oz. gold/t and 0.7 oz. silver/t over 6.5 feet. A selected high grade sample of the quartz-manganese material assayed 338 oz. silver per ton.

The vein zone has now been encountered over a distance of 2,500 feet. the zone is open to extension to both the north and south.

Surface work during the 1981 season encountered four additional gold quartz veins with surface assays ranging from 0.26 oz. gold per ton over 2.5 feet to 8.5 oz. of gold per ton over two feet in the Prosser vein. This vein occurs at the most southerly margin of the zone so far explored in that direction.

Several ore grade intersections were obtained from the 1981 drill program. The company anticipates an underground development program as soon as possible.

GNL #199 15-10-80 CUSAC INDUSTRIES LIMITED 104P/SW 070

GOLD PRODUCTION START ANNOUNCED - Cusac Industries Limited started production at its gold property, 6 miles southeast of Cassiar, B.C., on 18 Sep 80.

G.H. Brett, president, noted that the mill has a capacity of 30-50 tons per day. There are more than 400 tons of high-grade gold material mined, stockpiled and ready for milling. Operations are expected to continue until November at which time operations will be closed down for the severe winter months of December through March. As production proceeds, the company is continuing its diamond drilling program.

The mine crew has found several spectacular gold specimens which are as impressive as any discovered anywhere. The area controlled by the company represents one of the best gold exploration and development targets in western Canada, the president said.

Cusac Industries has completed 65 holes of exploration drilling on its optioned gold property in the Yakataga Beach area of Alaska. Assaying of approximately 7,500 lbs. of samples is underway.

In July 1980, B.P. Minerals, Ltd., a wholly-owned subsidiary of B.P. Canada, Inc., drilled Cusac Industries porphyry molybdenum property on Burke Channel on the coast of B.C.

GNL #193 7 OCT 85 ERICKSON GOLD MINING CORP. (EGM-V,T) CUSAC INDUSTRIES LTD. (CQC-V, CUSIF-Nasdaq)

SOME VERY HIGH GRADE GOLD CUT IN A NEWLY DISCOVERED VEIN - Erickson Gold Mines Ltd. have discovered 3 new, high grade gold bearing veins on the property optioned from Cusac Industries Ltd., immediately south of the Erickson gold mine at Cassiar in northern B.C. PETE, CORDOBA 104P/4E (104P 070)

Erickson president Jean-Pierre Januard says the Eileen South vein was located by trenching and partially defined by drilling. Its strike length is about 105 meters (344 feet) to date. This vein strikes roughly north-south and is parallel to and similar to the very high grade Dino vein previously explored by Cusac. The Eileen South has an average grade on surface of 0.306 oz. gold/ton across a thickness of 1 meter. Diamond drilling confirmed the continuity of this vein with some minor fault offsets.

Two of the three new veins, the Eileen and the Eileen East, strike approximately east-west and are along strike from one another. Their combined strike length is a about 250 m (820 ft.). The Eileen Vein is exposed at surface by trenching and, over a 1 m average thickness, grades 0.693 oz. gold/t cut and 1.60 oz. gold/t uncut. Limited diamond drilling confirms a similar grade. Some very high grade was cut in some of the holes. SEE TABLE OVERLEAF.

The Eileen Vein does not appear at surface. The present ore shoot has been explored by 13 diamond drill holes to date whose average grade is 0.681 oz. gold/t cut and 1.749 oz. gold/t uncut over an average thickness of 1.87 m. (6.1 ft.). The Eileen East vein is the strongest gold bearing structure encountered to date in the southern part of the Erickson gold camp.

Mr. Januard notes that, to obtain the cut values, all uncut values greater than 2.00 oz. gold/t have been cut to 1.50 oz. gold/t. Also, any intersections less than 1.0 m. thick are diluted to 1.0 m. (3.28 ft.) before making any calculations.

All 3 veins are open to depth and to some extent along strike. Diamond drilling will continue until freeze-up. An exploration decline and, from it, a drift has just been started.

By spending \$1,600,000 on exploration and development or by placing the property in production, Erickson would earn 60% interest in the property which interest would increase to 70% once Cusac has been paid \$3,000,000 out of production.

GCNL #209 30-10-79

CUSAC INDUSTRIES LTD.

104P/SW

Sample Width	Sampled by	Oz/t Gold	Oz/t Silver
2 ft.	G.B.	4.709	1.79
2 ft.	G.B.	4.12	8.81
1 ft.	G.B.	3.083	1.25
24 ft.	JP & WG	0.030	7.52
1½ ft.	W.G.	.894	.80
1 ft.	G.B.	.634	.75
7 ft.		3.29	.70
6 ft.	WG & GB	0.215	.31
25 ft.	W.G.	.78	.60
23 ft.	G.B.	.048	21.17
25 ft.	G.B.	1.27	.49

G.H. Brett, president of Cusac Industries Ltd., has provided a summary of a recent property report from John R. Poloni, P. Eng., following an inspection of the Pete and Cordoba claims near the headwaters of Pooley Creek, adjoining the property of Nu-Energy Development Corporation, 6 miles south of Cassiar, B.C. (See GCNL No. 140, July 20, 1979, for property interest agreement detail) The engineer stated that the work consisted of establishment of a base camp, a survey grid on parts of the Cordoba claim, completion of a geochemical soil sample survey, magnetometer and E.M.-16 survey and extensive dozer stripping and backhoe stripping and trenching over sections of the claims. An N.Q. diamond drill program is in progress. Free gold has been found in four locations in the trenched

areas, Assay values are extremely encouraging with high values being obtained. These samples were taken by G. Brett (GB) Dr. W.D. Groves, P. Eng., (WG) and John Poloni, P. Eng. (JP).

A recent discovery of free gold has been made in the L4+00N area where a 2-foot quartz vein is found to contain visible gold as seen in samples recently obtained. These samples are "picture rock". The vein has been exposed for a strike length of +100 feet and is located coincident with a strong gold geochemical anomaly. Other gold anomalies are yet to be tested in this area. Trenching is continuing to better detail this area.

GCNL #238 11-12-79

CUSAC INDUSTRIES LTD.

104P/SW

SOME HIGH-GRADE GOLD - SILVER FOUND IN SUMMER WORK - Cusac Industries Ltd. consultant John R. Poloni, P. Eng., has reported on the Pete and Cordoba mineral claims near the headwaters of Pooley Creek adjoining the Nu Energy Development Corporation Ltd. gold mine near Cassiar, B.C.

The 1979 work consisted of establishment of a grid, geochemical soil survey, magnetometer and E.M. - 16 surveys, and extensive stripping and trenching. An N/Q diamond drill program was completed 12 Nov 79 and the results of this work will be available in the near future.

Visible (free) gold has been found in four locations on the northern section of the Cordoba claims. Assay values are extremely encouraging with high values being obtained. These samples were taken by G. Brett (GB), Dr. W.D. Groves, P. Eng., (WG) and John Poloni, P. Eng., (JP). Another discovery of free gold has been made in the central portion of the Cordoba claims, where a 2 foot quartz vein is found to contain visible gold as seen in samples recently obtained. These samples can be classed as "picture rock". The vein has been exposed for a strike length of 110 feet in an area of heavy overburden and is located coincident with a strong gold geochemical anomaly. Other gold anomalies are yet to be tested in this area. Trenching is continuing to better detail this vein.

Of significance in the 1979 exploration is the fact that only approximately 6 units of the 60 claim property have been covered with detail work.

THIS PROPERTY

GCNL #168 2 SEPT 81

CUSAC INDUSTRIES LIMITED

DIAMOND DRILL PROGRAM UNDERWAY AT THE GOLD PROPERTY, CASSIAR, B.C. - Guilford H. Brett, president of Cusac Industries Limited, has reported that 4,500 feet of diamond drilling has recently been completed on the company's property near Cassiar, B.C. This work has indicated a strong structural condition, in the quartz carbonate, north of the rich Dino vein. No assays are available as yet. Drilling is continuing.

The stock-piled ore from the Dino vein will be milled during the month of September. This will provide the company a cash flow.

Cusac has a \$250,000 bank line of credit.

Plaza Resources Corp. have maintained their 45% working interest in the gold property. Plaza Resources has recently completed a 125 ton per day, new mill facility, approximately 10 miles to the north. This facility will be available to the joint venture. (See the map in GCNL No. 160, Aug. 21, 1981, page two overleaf)

In the six months ended June 30, 1981 the company received no new funds, spent \$206,977 and ended the period with a working capital deficit of \$52,576.

PETE, CORDOBA 104P/4E 104P 070

GCNL #120 21-06-79

CUSAC INDUSTRIES LTD. 104 P/SW

MIF

FUNDS PROVIDED TO EXPLORE - The principal uses Cusac Industries Ltd. plan for the \$196,000 NW B.C. GOLD-SILVER CLAIM net proceeds of the recent underwriting of 200,000 shares at 98¢ per share detailed in GCNL 117(79), together with approximately \$75,000 cash on hand, a total of \$271,000, are to pay \$153,500 as Cusac's 45% share of the cost of completing Phases 1, 2 and 3 of the program of exploration and development on the Pete mineral claim, 10 miles SE of Cassiar in NW B.C., as recommended by John Poloni in his 9May79 report; to provide \$98,565 for general corporate purposes; and \$13,935 to pay current accounts payable. If the underwriters exercise their option to buy a further 200,000 shares at \$1.08 per share, Cusac would receive \$216,000 to add to working capital. Paying 45% of costs, Cusac retains 55% interest in the Pete and nearby Cordoba claims.

Mr. Poloni has twice reported to Cusac on the Pete and Cordoba claims. In his earlier report, dated 6Sep78, he stated, "The main zones of exploration interest are related to gold-silver mineralization in strong quartz veins in rocks of the Sylvester Group, Upper Devonian or Lower Mississippian age. Similar quartz veins in the Sylvester group rocks have been shown to carry economic gold-silver values on the property of Nu-Energy Development Corporation Ltd., (where) ore reserves have been calculated, and preparation are being made for production." Cusac's Cordoba claim adjoins Nu-Energy's Sky claim to the south. The Pete claim lies 4 units distance south of the Cordoba. The Pete claim covers the Pete showing, one of the earliest gold-silver quartz vein discoveries in the area. Mr. Poloni says, "Free gold has been seen near the two shallow shafts on the Pete Vein and assays of 1.457, 1.094, 1.465 and 0.748 oz./ton gold and 4.31, 2.94, 1.98 and 2.56 oz./ton silver obtained in sampling.

"The property has the potential of containing gold-silver veins with economic volumes and grades and is a very worthy exploration prospect."

In his 9May79 report, Mr. Poloni says, "On the Pete claim, economic grades and widths of gold-silver bearing vein quartz are indicated in one section, but it remains to establish economic volumes and continuity of these grades and widths." Mr. Poloni's Phase 1 program includes geochemical soil surveys, geological mapping, bulldozer trenching, geophysical surveys and a limited amount of diamond drilling. His success contingent Phases 2 and 3 include road building, diamond drilling and bulk sampling.

Cusac directors are Guilford H. Brett, president, owning 468,740 shares; Andrew Robertson 11,900, and Charles F. Brett, secretary/treasurer, 285,000 - all of Vancouver area - and Andre Gourd, nil shares, of Montreal. Including the currently underwritten shares, Cusac have 3,170,000 shares outstanding.

GEORGE CROSS NEWS LETTER LTD. NO. 184 (1979)

(Page Two)

SEPTEMBER 24, 1979

GCNL #184 24-09-79

CUSAC INDUSTRIES LTD.

104 P/SW

DIAMOND DRILL TESTING - Andrew Robertson, director of Cusac Industries Ltd., has reported that PLANNED FOR THIS FALL the company has been conducting a program of stripping and trenching on the property south of the Nu-Energy gold mine, near Cassiar, B.C.

This work located an additional six veins, three of which, on the Cordoba claim group, have been observed by company consultants to contain visible gold. Chip samples from the area where free gold has been observed have assayed from 0.215 to as high as 4.7 oz. gold per ton in quartz veins ranging between 7 feet and 2½ ft. in width.

A manganese, mariposite quartz carbonate zone, adjacent to a 7-foot quartz vein, has yielded test assays of 21.6 oz. silver, 0.07 oz. gold/t and 1.09% zinc over a width of 23 feet. Copper can also be observed in this section. This zone shows a unique metal assemblage which differs from the rest of the recent discoveries in the area.

A gold, silver and zinc geochemical map has been prepared which shows several gold, silver(zinc) coincident anomalies. Many have not yet been tested.

The EM i6 geophysical program conducted by Steve Presunka has produced geophysical anomalies. Mr. Presunka states that an exceptionally strong conductive zone has been established in the area of the Pete vein and parallel to it. The zone should represent 15% to 20% sulphides, extends 900 feet in an east-west direction and is still open on strike. This is considered a prime geophysical drill target.

Other proposed drill targets include testing the Pete vein below the shaft area and three holes in the Cordoba area. One of these is planned to intersect the silver rich manganese, mariposite quartz carbonate zone. The second to be drilled on a strong geochemical and geophysical area. A third in the area of high gold assays.