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TSE: CQC
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NEWS RELEASE

LARGE SCALE DRILL PROGRAM RECOMMENDED ON DISSEMINATED NICKEL, COBALT, CHROMIUM AND PLATINUM ZONES

Guilford H. Brett, Director, President & CEO (TSE: CQC, OTCBB: CUSIF) – reports that the Company (Cusac) has received analyses of soil samples and overburden-trenching bedrock samples which correspond to several of the numerous Induced Polarization (IP), Magnetic and/or VLF-EM anomalies detected within its recently announced (10/03/00) ground geophysical surveys performed on selected portions of an extensive ultra-mafic intrusive situated within the Company's Clearwater Platinum Project, located within the Kamloops Mining District of British Columbia. These results have prompted a professional recommendation for a large-scale, multi-phase drilling program.

Preliminary geologic mapping by CUSAC and prior operators indicates that the local ultra-mafic intrusion is compositionally layered and is composed of serpentinite, dunite, peridotite, pyroxenite and gabbro lithologies, being at least 1.5 kilometers wide at surface, centrally, and at least six kilometres in length, with strike extensions of at least several kilometers to the NW and to the SE within the property, as indicated by a Government aero-magnetic survey (1968; Department of Energy and Mines; Chu Chua Area, Sheet 52249). CUSAC's Clearwater Platinum Project mineral property is composed of the Golden Loon mineral property (179 mineral claims units) optioned from Tilava Mining Corporation (CUSAC News Release, June 5, 2000) and 23 additional adjacent, contiguous mineral claim units staked by CUSAC.

DRILLING RECOMMENDED

Based on the program results to date and present geological observations and interpretations, a substantial, multi-phase drilling program has been recommended by Dr. Bruce J. Perry, P. Geo., FGAC (PRO-GEO Exploration and Mining Services Inc., Kamloops, BC). The goal of the recommended multi-phase drilling program is to outline one or more large tonnage Nickel+Cobalt+Chromium+Platinum Group Element (PGE) mineral deposits within CUSAC's Clearwater Platinum Project mineral property, the presence and potential large-scales of which are suggested by the results of CUSAC's recent geological, geochemical and geophysical surveys (\$157,000 expenditure).

SOIL GEOCHEMICAL SURVEY INDICATES NICKEL, COBALT, CHROMIUM AND PLATINUM ANOMALIES ASSOCIATED WITH LARGE-SCALE IP ANOMALIES

Analyses of soil samples collected over CUSAC's grid-line geophysical anomalies indicate the presence of combined Nickel, Cobalt, Chromium and Platinum geochemical anomalies that are often spatially related to significantly large IP chargeability anomalies and/or VLF-EM anomalies, returned analytical results up to 2486 ppm Nickel, 226 ppm Cobalt, and 862 ppm Chromium (Eco-Tech Laboratory, Kamloops, BC), with occasional anomalous Platinum concentrations. In the order of 700 additional soil, humus and vegetation samples were also collected, but these have not been chemically analyzed, as yet.

To date, three trenches totalling 407m in length have been excavated on three IP chargeability anomalies associated with soil geochemical anomalies.

INITIAL TRENCHING RESULTS: SOUTHEAST (SE) MINERALIZED AREA

Results of initial sampling of outcrops and continuous chip sampling of bedrock exposed in trenches recently excavated within the Southeast (SE) portion of the Clearwater Platinum Project mineral property indicate the presence of significantly large and potentially economic disseminated Nickel + Cobalt + Chromium + Platinum mineralization occurring throughout an area measuring approximately 800m in length by approximately 60m in width at the present NW margin, and expanding to approximately 250m in width towards the SE margin. This mineralized area, designated as the 'SE Mineralized Area', is open to expansion in all directions. The SE Mineralized Area is centered on grid line 000 at approximately 200N and extends northwesterly to grid line 500W, as evidenced in trench #5 (0.12% Ni, 0.011% Co over 60m), and nearly to grid line 500E, as indicated by the analytical results of numerous rock outcrop samples. Continuous chip-sampling throughout Trench #4, situated in the center of the SE Mineralized Area, revealed a mineralized zone averaging approximately 0.157% Nickel and 0.0125% Cobalt throughout the 160m trench length, the apparent true surface width of the mineralized zone exposed in this trench, so far, being approximately 120m wide across the magmatic stratigraphy, as it is presently interpreted. The ultimate width and length of the zone into which trench #4 was excavated is open to expansion in all directions.

At the current approximate prices of Nickel (US\$3.40/lb) and Cobalt (\$14.50/lb), the above-mentioned results for trench #4 correspond to a copper equivalent of approximately 0.85% Copper, given Copper at US\$ 0.85/lb. By comparison, the grade of copper ore mined at the large-scale open pit operation of Highland Valley Copper, also situated within the Kamloops Mining District, averages approximately 0.40% copper, with an additional small credit for Molybdenum.

Grab samples of altered dunite collected within the SE Mineralized Area returned analytical results of up to 0.40 opt Platinum (US\$ 600/oz), with accessory Rhodium (US\$1950/oz), Iridium (US\$450/oz) and Osmium (\$US 405/oz), while grab samples of unaltered dunite containing potentially platinumiferous chromite (platinum-bearing chromite), collected near this Area, returned analytical results up to 0.5 g/t Platinum with accessory Rhodium, Iridium and Osmium, bringing up the combined PGE content to approximately 0.7 g/t.

The potential large size of the Ni + Co mineralized SE Area, the recent indications of the presence of high-grade PGE mineralization within this Area and the discoveries of disseminated, potentially platinumiferous chromite mineralization in the near vicinity of this Area make the SE Mineralized Area a prime candidate for a large-scale drilling program designed to test the SE Mineralized Area's potential for a mineral deposit in the 50 million tonne to 100 million tonne range. The first phase of the recommended definition drilling program for mineralization in the SE Mineralized Area constitutes approximately 10,000 m of NQ-2 diamond (core) drilling, with potential follow-up phases aggregating to 50,000 m of additional NQ-2 diamond (core) drilling. In addition to drilling, preliminary process metallurgical studies have been recommended, including metallic mineral speciation studies (reflected light and microprobe) and process amenability studies in regard to conventional flotation concentration methods and conventional heap-leaching electro-winning methods.

POTENTIAL FOR ADDITIONAL LARGE-SCALE MINERALIZED AREAS

Dr. Perry has reported to the Company that there is ample encouragement from the various exploration data collected to date to suggest excellent potential for expansion of the SE Mineralized Area, and that there appears to be excellent potential for the occurrence of similarly large areas of combined Nickel, Cobalt, Chromium, PGE mineralization elsewhere within CUSAC's Clearwater Platinum Project.


Specifically, the other areas of the ultra-mafic intrusion that have excellent potential for large-scale, disseminated Nickel, Cobalt, Chromium, PGE mineralization are initially indicated by numerous rock outcrop sampling results and/or IP geophysical anomalies and/or soil geochemical anomalies recently detected in the central part of the intrusion. Two extensive Areas have been identified, one centered at approximately 2300W / 400NE and the other centered at approximately 4000W / 450NE. Dr. Perry has recommended in-fill geophysical and geochemical surveys and limited initial trenching and exploratory drilling within these two Areas. In addition, Dr. Perry notes that the NW portion of the ultra-mafic intrusion between 5000W to 7500W (2.5 km of strike length) has not received recent exploration attention, and he recommends that the reconnaissance scale control grid be extended to cover this portion of the ultra-mafic intrusive in preparation for reconnaissance geological, geophysical and geochemical surveys.

ADDITIONAL PERMITTING GRANTED

Permitting has been granted for additional grid-line cutting (17 km) and additional Induced Polarization, Magnetic Susceptibility and VLF-EM geophysical surveys (17 km) and geochemical soil sampling surveys. A substantial amount of the recently permitted line-cutting has already been completed at the time of this news release.

CUSAC GOLD MINES LTD.
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For more information contact:
Investor relations at 1-800-665-5101 or
Visit our website at: www.cusac.com


GUILFORD H. BRETT
DIRECTOR, PRESIDENT & CEO