

NW Prospect Table Mtn.
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New Discovery at Erickson Mine

Total Erickson Resources Ltd. recently announced a new discovery at its producing Erickson Mine, located near Cassiar, B.C.

The company says the second drill hole of the 1987 underground drill program at the Erickson Mine intersected a new high-grade vein structure about 50 metres south of the Eileen Vein. The program was designed to test structural targets in proximity to the underground Eileen Vein workings. The intersection in hole C87-198 is as follows:

from 73.3m to 77.3m (4.0 metres) grading 1.49 oz. gold per ton and 1.29 oz. silver per ton.

The company says this new vein appears to have similar potential as the Eileen Vein, as it occupies a parallel and similar geological structure. Company president Jean-Pierre Januard says the underground workings are being extended to explore and develop this new vein.

Total Erickson recently reported its share of gold production for 1986 from its two gold mining operations was 35,633 oz.

Production at Mount Skukum, near Whitehorse in the Yukon, started in February, 1986 and increased gradually reaching full capacity in June. In 1986 this mine produced 30,003 oz. of gold from 85,600 tons at an average grade of 0.386 oz. of gold per ton.

Production recommenced at the Erickson Mine in July. For the six months, production at Erickson was 24,262 oz. of gold from 27,167 tons, at an average grade of 0.94 oz. gold per ton. Production in the fourth quarter was 18,394 oz. of gold from 16,359 tons, at an average grade of 1.18 oz. gold per ton. This production came entirely from the Eileen Vein system.

The company trades on the Vancouver and Toronto Stock Exchanges; trading symbol: TLE.

Cusac a tasty, gold-filled yummy for investors

CUSAC INDUSTRIES LTD.

NASDAQ: CUSIF
TSE/VSE: CQC

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NASDAQ Curr.: \$1.12	Hi:	\$1.90
	Low:	\$0.60
TSE Current: C\$1.40	Hi:	C\$2.45
	Low:	C\$0.80
VSE Current: C\$1.45	Hi:	C\$2.45
	Low:	C\$0.77

Bull & Bear Rating:



"I have a right to be here," says Guilford Brett, CEO of Cusac Industries Ltd. (NASDAQ-CUSIF; TSE/VSE-CQC). This Canadian gold miner does have every right to be there. Brett was the first to effectively prospect British Columbia's 100-square mile Cassier/Table Mountain gold-bearing area nearly 35 years ago. He personally staked the best claims. Later, Brett promoted his company into a 50 percent profit position. Finally, he purchased it outright for eight cents on the dollar—for stock, no less.

Goldbug investors, with any sense at all, should grab a seat on this locomotive and ride the Cusac story to the top of the proverbial mountain. This junior gold producer's prospects are so hot that when gold starts climbing again, the stock will undoubtedly soar. We don't doubt that major mining companies have Cusac on their short list of takeover candidates.

If you aren't salivating yet, consider:

- When gold breaks \$400/oz. Cusac's stock could double; a \$425 sticker could

even triple this well-positioned junior mining company.

- Cusac owns 100 percent of its claims and mine workings, has \$1 million in long-term debt slated for retirement by year-end, and plans to fund projected C\$6.7 million exploration and development costs out of cash flow. Cusac's financial position and future prospects are so secure, it finds itself the belle of the ball with several "substantial" brokerage houses bidding to back new stock offerings.

- Cusac net earnings could jump 30 percent or more this quarter from the nearly C\$1 million reported from the first 70 days of production in the second quarter (many analysts misread this one).

- The company's \$1 million+ monthly cash flow will jump again next March when production reaches full capacity from the Michelle High Grade Decline, now fully dry and beckoning with a vein system where one drill hole returned 10 feet true width and assayed at 1.168 ounces of gold per ton.

- Cusac's break-up value is at least C\$12 million in non-mineral assets (mill and related equipment), not counting the potential \$200 million+ value of the gold in the company's ground.

- About that gold—only 15 percent of the site is explored to the "proven" and "probable" point, while at least 20 other gold-bearing sites are identified for future exploration and possible development. Under current mining standard definition, Cusac has two years of gold reserves at current levels of mining. But, remember—the richest gold mine in the world, Canada's Bralorne, yielded \$1.6 billion in gold while never exceeding two "official" years of reserves. Working gold mines, you see, don't like to spend money

exploring potential when they see a vein of gold right under their noses begging to be plucked out of the rock.

If an investor concludes—as we do—that gold is going way, way up, then the only question is how to hitch a ride. Here's where Cusac comes in. This company has the only new mine to begin operations in all of British Columbia this past year—pulling gold out of the ground just as the gold market is pulling itself out of the doldrums. In its first full month of production/milling, Cusac produced 3,000 ounces. The company has proven reserves of 40,000 tons graded at 0.689 opt and probable (not fully mapped) reserves of 64,000 tons graded at 0.819 ounces. Brett conservatively estimates there are additional "geologic" ore reserves of 846,000+ tons averaging 0.49 ounces.

Currently, the company is concentrating on mining of the West Bain Vein (assaying at between 0.68 and 1.00 ounces) and developing the Michelle High Grade Decline—expected to produce upwards of 100,000 ounces of gold. Brett says this cluster of gold veins will be producing 300 tons per day of gold ore by March. "This is one of the richest drill sites we have ever had," grins Brett.

What all of this gold means to the 9.2 million shares in float is this—Cusac is capitalized at \$14.5 million, yet has nearly \$200 million in gold (all reserve

categories) sitting in the ground. Ignoring other reasons this stock should sell at a higher level, higher gold prices will inevitably push earnings up from their current \$0.08 per share to more than \$0.25 a share. Cusac stock is selling at about \$1.10 now. Consider most other stocks' P/E and you can see why Cusac has a lot of room to grow.

That Cusac has grown is due in large part to Brett's vision and persistence.

Since first exploring and prospecting the area in the late 1950s, Brett believed economically recoverable gold existed in the region. He negotiated a 50% profit position in the Table Mountain mine. When its owner, French oil giant Total (Energy Minerals, Inc.), decided to liquidate all its gold holdings, Cusac was ideally positioned to

take over the Table Mountain claims, totally rebuilt mill, related equipment, and facilities—for \$1.2 million in stock.

Cusac abandoned unproductive U.S. operations and secured working capital to put Table Mountain back in working—and gold producing—condition. Brett says the mine has at least five to eight more years of productive life. Well before that time ends, expected substantial profits will enable Cusac to begin searching for its next mine to dig in. But that's another story. Cusac's tremendous current fundamentals makes it a perfect investment vehicle for the wild gold rush to come—S.M. Estrada ■

■ **Many profitable years ahead...A terrific bargain in my judgement.**

...Jay Taylor

■ **Tremendous exploration potential...Gil Brett is one of the survivors.**

...Richard Radez