

JUNE 2, 1987

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

RESULTS AND PROJECTIONS	SIX MONTHS		TWELVE MONTHS	
	Ended Dec.31		Ending Dec.31	
	1986 Actual	1987 Projection	1986 Actual	1987 Projection
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		
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 \$3,00,000 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 \$3,800,000 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 Toadogonne 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 Bold 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.



REG RESOURCES CORP. (RRE-V)

JOINT VENTURE FORMED ON - John G. Robertson, president, SILVER-LEAD-ZINC CLAIMS reports that Reg Resources Corp.'s Silverknife claims, a silver-lead-zinc prospect in Liard mining division, B.C., are the subject of an option agreement whereby interests in it can be acquired by Chevron Minerals Ltd. and TERYL RESOURCES CORP. (TRC-V). The terms call for a payment of \$50,000 by Chevron and \$25,000 by Teryl and expenditures of \$450,000 by Teryl in 1987 and 1989 and \$450,000 by Chevron in 1988 and 1989. Chevron has a further option to earn an additional 21% interest by paying Reg \$2,000,000 and paying Teryl \$650,000 by 15Dec90. If Chevron elects to acquire that additional 21%, the participating interests in the joint venture and the property would be Reg 24.5%, Teryl 24.5% and Chevron 51%.

Exploratory drilling is planned this summer. The best result obtained from previous drilling was 29 oz. silver per/ton and 17% combined lead/zinc over a 14-foot section.

INTERNATIONAL CORONA RESOURCES LTD.

6 MONTHS ENDED MARCH 31	1987	1986
Mining Revenue	\$14,829,000	-
Cash Flow (Out)	6,295,000	885,000
Income(Loss)Before Unusual Items	1,177,000	(1,778,000)
Per Share, Basic	8¢	(14¢)
Gain on Settlement of Note Payable	-	700,000
Share of Associate's Unusual Gain	42,006,000	-
Net Income (Loss)	43,183,000	1,078,000
Per Share, Basic	\$3.09	(8¢)
Per Share, Diluted	\$2.82	(8¢)
Cash and Marketable Securities	45,471,000	15,344,000
Bank Loans	42,000,000	50,113,000

International Corona Resources Ltd. president Peter Steen reports that, in their fiscal year's second quarter ended 31Mar87, their 50%-owned David Bell mine at Hemlo produced 25,303 ounces of gold, bringing their first half production to 48,448 ounces.

Royex Gold Mining Corp., 49% owned by Corona, increased its interest in Corona from 38% to 49% through its offer to buy Corona common shares and 1987 warrants. Corona raised US\$50,000,000 for general corporate purposes through a bond issue in Europe.

Regarding the outlook, Mr. Steen says gold production at Corona's Hemlo mining operations is increasing steadily. Royex has significantly enlarged its exposure to precious metals in North America. The ruling of the Appeal Court on the Williams property at Hemlo is still awaited.

Corona's recent Eurobond issue raised some \$50,000,000 U.S.

BANBURY GOLD MINES LTD. (BBG-V)

NORANDA IS STARTING 1987 - Douglas A. Dewar, president DRILLING ON HEDLEY CLAIMS of Banbury Gold Mines Ltd., reports being advised by Noranda Exploration Company Ltd. that they will start their 1987 drilling program on Banbury's Hedley, B.C., this week. Noranda can earn 51% interest in certain of those Hedley claims by spending a total of \$3,000,000 on exploration and development work.

During the past few months, Banbury has increased its mining claim holdings in the Hedley area by 101 units. Nineteen of these units are contiguous to Banbury's core holdings and are subject to the Banbury-Noranda option agreement. The other 82 units will be initially explored by Banbury alone. A flow-through share placement to raise \$85,000 has been arranged to finance this work. Banbury now holds 183 claim units in the Hedley area of which 77 are optioned to Noranda.

Noranda has made a computer model of the Banbury claims to help in the selection of drill targets. Initial drilling will be on the north side of the property to test the contact zone.



Seven Mile High Resources Inc. Canadian Nickel Company

OKANAGAN FALLS, B.C.

<u>HOLE</u>	<u>SECTION</u>	<u>DIP</u>	<u>DEPTH (FT)</u>	<u>INTERSECTION FROM(FT) TO(FT)</u>		<u>FEET</u>	<u>OZ/TON AU</u>	<u>OZ/TON AG</u>	
72401	840 E	-70	1050	793	794	1	.067	.196	
				835.4	842.6	7.2	.032	.134	
				875.8	894.2	18.4	.17	.388	
				INCL.	885.6	889.9	<u>4.3</u>	<u>.64</u>	<u>1.33</u>
				915	922.4	7.4	.07	.137	
72405	840 E	-45	662.6	532	536	4	.047	.26	
72407	742 E	-48	636.3	249	250.3	1.3	.13	.57	
				273.9	274.9	1	.055	.426	
72408	767 E	-63	1567.8	967.9	971.9	4	.10	.178	
				979.1	982.1	3	.05	.137	
				989.6	993.2	3.6	.029	.044	
				1019.1	1022.1	3	.035	.108	
				1031.9	1039.1	7.2	.12	.213	
				1052.9	1066	13.1	.14	.362	
				1081.1	1108.7	<u>27.6</u>	<u>.31</u>	.637	
				1108.7	1123.5	14.8	.07	.164	
OR	1081.1	1123.5	<u>42.4</u>	<u>.23</u>	<u>.456</u>				

SKYLINE EXPLORATIONS LTD. (SKX-V)

No. Of Panels	Location Along Raise Feet	Width Feet	Gold Oz./Ton
2	5.0 - 6.5	4.6	30.8
2	11.0 - 12.5	4.9	29.9
2	13.0 - 14.5	1.6	55.8
2	14.5 - 16.5	1.8	49.4
1	16.5 - 18.0	1.6	0.78
4	19.5 - 21.0	5.7	1.33
4	39.5 - 41.0	6.6	8.03
3	52.5 - 54.0	5.7	2.59

*Measured from start of high grade intersection in raise.

EXTREMELY HIGH GRADE - M. Norman Anderson, chairman, GOLD ZONE ASSAYED announces assays now received by Skyline Explorations Ltd. from the occurrence of an extremely high grade gold zone in the 16 vein encountered in the new raise on their wholly owned Stonehouse gold deposit 60 miles north of Stewart, B.C. Assays are of samples from panels measuring 1.5 feet x 2.0 feet on the floor, back and face of the raise at various intervals.

Additional face samples over the next 16 feet are in for assay.

Comprehensive back sampling and detailed mapping are underway.

The 1987 exploration drift on 16 vein east has advanced 320 feet. The vein is continuous, averaging 4 feet thick plus an altered mineralized hanging wall. Periodic face samples indicate an average grade of 1.05 oz. gold/ton. A comprehensive panel back sampling campaign over the entire drift length was completed May 27. Assays are awaited.

The 16 vein at the present east face has been offset by a fault to about 100 feet north, which is as predicted from previous surface diamond drilling. This was confirmed by an underground diamond drill hole and drifting was resumed.

The 16 zone ventilation raise, 370 feet in length, has broken through to surface. It confirms the vein's vertical continuity. Preliminary early samples indicate a grade of 0.91 oz. gold/t. Comprehensive panel sampling and mapping will start soon.

The Discovery zone West Drift advanced 100 feet. A resampling of the entire area and further advance to the west are scheduled.

A new hanging wall drift has been driven 175 feet east from the main cross-cut to explore the Zelphrin zone and to establish diamond drill stations to explore the 16 zone and Discovery vein to a depth of 159 feet below the existing level. This diamond drill program began May 26. Anticipating confirmation of previously drilled deep holes, a new, second level will be established at about the 3525-foot elevation, immediately adjacent to the proposed mill site.

An engineer-procure-build contract has been let for a 200-400 tons/day mill to Orocon Inc. of Vancouver, a well qualified specialist in small gold mills. This work is progressing rapidly.

Management are optimistic that approval in principle will be received from B.C. and federal agencies in June. They anticipate confirmation of threshold and grade targets by that time and expect construction can begin 1 July 87.

IRON RIVER RESOURCES LTD. (IRN-V)

IRANDA RESUMES WORK ON - On the property of Iron River WASHINGTON PROPERTY Resources Ltd. on Mount

Washington in the Forbidden Plateau area of Vancouver Island, west of Courtenay, B.C., Noranda has begun the 1987 field season with a program of soil sampling, geological mapping and ground geophysical surveys which will proceed at an accelerated pace as the snow pack recedes. Noranda can acquire 51% interest in the property over 4 years started last fall by paying Iron River a total of \$250,000 and by spending a total of \$1,500,000. Iron River's property lies near to and west of that of Better Resources Ltd.

Iron River owns a property covering a small, past gold-silver producer on Loughborough Inlet about 175 miles NW of Vancouver, or about 45 miles north of Campbell River. Work to date, including an aerial photo study, suggests that lineament intersections are loci for mineralization. The best gold/silver mineralization found so far is associated with sulphides in a lenticular quartz vein confined to a NE-striking shear. Several overburden covered electromagnetic anomalies are now shown to be located on lineaments and to warrant further evaluation. Additional work is being delayed pending completion of a logging road building program on the property.

* **HYCROFT RESOURCES & DEVELOPMENT CORPORATION (HYR-V)**
ENGLEFIELD RESOURCES LTD. (EGF-V)

DIAMOND DRILLING PLANNED - Englefield Resources Ltd. FOR FIRE CREEK GOLD TARGET has committed to spend a minimum of \$100,000 including 2,000 feet of diamond drilling in 1987 on the Fire Creek gold property of Hycroft Resources & Development. Englefield can earn a 50% interest in the property near the northwest end of Harrison Lake, by spending a minimum of \$500,000 on the claims over three years. The Hycroft property has a well defined gold anomaly 900 meters long by 100 meters wide with surface rock chips assaying up to 0.29 oz. gold per ton over a two meter width. Englefield recently staked 100 claim units contiguous to the Hycroft property. These newly staked claims will form part of the Fire Creek joint venture and will be shared 50-50 by the two companies.

* **SOUTHLANDS MINING CORPORATION (SSM-V)**

FLOW-THROUGH FUNDING ARRANGED - First Exploration Fund FOR FRASERGOLD EXPLORATION 1987 has agreed to buy 370,370 flow through shares at \$2.70 each to provide \$1,000,000 to Southlands Mining Corp. The proceeds are to be spent on the exploration of the Frasergold precious metals project near Williams Lake, B.C. The Frasersgold project is held under option from EUREKA RESOURCES, INC. (EUK-V) (SEE GCNL NO. 100, P.3, May 26, 1987 FOR DETAIL OF THE OPTION AGREEMENT AND PROPERTY PROGRAM.)

FOR THE RECORD

← CARNES CREEK EXPLORATIONS LTD. (CSK-V) plans to bulk test the Noland mine tailings at Spruce Creek, Atlin, B.C., where in excess of 230,000 cu. yds., with an expected gold recovery of \$12.00 per cu. yd. at a rate of 2000 cu. yds. per day expects to start in June 1987.

• GOLDEN PYRAMID RESOURCES INC. (GPR-V) has acquired an option to earn a 60% interest in WESTERN CANADIAN LAND CORP. gold property located in the Arrow Lakes region B.C. By spending \$600,000 over 7 years plus 100,000 shares, Western Canadian Land retains the right to participate as to a 40% working interest or elect to convert to a 3% net smelter return interest.

The property adjoins the Tillicum Mountain Gold property owned by Esperanza Explorations Ltd.

• TECHNIGEN PLATINUM CORPORATION (TGP-V) director G.A. MacDonald announces a 2-month extension to 6 July 87 of the option assigned to it by 311956 B.C. Limited to acquire from Outland Resource Corporation and the interest in a mica property near Valemount, B.C., while considering a prefeasibility study recently received.

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REA GOLD CORPORATION (REO-V, T:REOGF-Nasdaq)

HOLE (RG#)	INTERVAL METERS	TRUE WIDTH METERS FEET	SILVER OZ/TON	GOLD OZ/TON	ZINC %	LEAD %	COPPER %	TOTAL SILVER EQUIVALENT
ASSAY RESULTS REPORTED MAY 6, 1987								
89	48.15- 59.8	11.65 (33'- 2")	41.63	0.065	2.85	1.33	1.10	50.67 OZ/TON
	*48.15- 52.15	4.00 (13'- 2")	102.00	.140	4.89	2.26	2.70	
90	98.37-102.11	3.74 (12'- 3")	56.27	.090	2.64	1.13	1.71	67.36
	*99.10-102.11	3.01 (9'-11")	68.70	.106	2.60	0.93	2.10	
93 **	113.80-114.45	0.50 (1'- 8")	4.55	.016	1.09	0.87	0.85	8.47
	114.90-115.2	0.25 (-10")	3.50	.022	3.41	1.76	0.80	10.64
95 **	129.00-130.00	1.00 (3'- 3")	10.03	.012	3.03	1.80	1.60	17.48
96 **	13.80- 15.20	1.40 (4'-7")	43.49	.041	1.71	0.01	1.74	50.29
97	16.97- 21.17	3.95 (13'-0")	34.77	.036	25.50	0.83	4.61	69.77
98	42.80- 48.20	5.40 (17'-8")	79.92	.144	1.96	1.65	2.63	95.20
99	71.00- 77.80	6.70 (22'-4")	36.87	.062	3.46	2.23	1.73	47.98
ASSAY RESULTS REPORTED JUNE 4, 1987								
100	46.00- 52.50	5.60 (18'-4")	28.50	.037	3.36	1.87	1.34	\$37.88
	46.00- 50.2	3.60 (11'-9")	40.98	.053	4.31	2.44	1.70	53.33
101	139.82-140.02	0.36 (1'-2")	18.29	.007	3.53	2.49	2.30	28.23
102	74.50- 82.1	7.5 (24'-7")	90.24	.087	2.21	1.20	2.30	102.59
	75.30- 82.1	6.7 (21'-11")	100.00	.096	2.41	1.30	2.52	113.55
104	56.20- 58.7	2.4 (7'-10")	8.63	.063	0.82	0.39	0.30	13.99
	76.50- 80.9	3.9 (12'-9")	9.45	.018	3.36	2.34	0.49	16.54
105	62.4- 77.1	10.4 (34'-1")	10.67	.024	3.63	2.23	0.43	18.21
106	120.3-122.8	2.4 (7'-10")	51.94	.074	1.51	0.34	1.44	60.66

These results confirm and extend the spectacular values in Trenches 3,4 and 5 and in Holes 71, 89 and 90 previously reported as follows:

71	104.25-108.45	4.20 (13'- 9")	28.80	0.037	5.03	3.72	1.07	39.96
T3	Surface	3.10 (10'- 2")	83.28	.130	3.30	17.80	1.84	108.40
T4	Surface	0.85 (2'-10")	255.25	.324	1.37	24.98	4.22	297.81
T5	Surface	4.80 (15'- 9")	79.75	.048	0.82	8.65	1.75	91.78

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