

George

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CUSAC INDUSTRIES LTD. (CQC-V,T;CUSIF-NASDAQ)

TOTAL ENERGOLD CORPORATION (TGD-T;TGDGF-NASDAQ)

EXPLORATION PROGRAM SHIFTED FROM-Total Energold and Cusac
UNDERGROUND ADIT TO SURFACE DRILL Industries have

rescheduled the completion of the 2,400 meter (7,900 foot-long) No.10 Adit at the Erickson Gold Mine, 9 km SE of Cassiar, B.C. and accelerated exploration of new surface targets on the 20,700 hectare (80 square mile) property. No timetable for possible completion of the adit level has been suggested. At last report the level had been advanced approximately 5,000 feet from the portal with in excess of \$3,000,000 spent to date. Cusac holds a carried 30% net profits interest in the property.

Exploration is directed toward development of sufficient reserves to restore gold production. Successes in the past few months have shifted emphasis to surface exploration which is expected to be more cost effective than continuing the adit at this time.

After cutting grid lines, totalling 200 km, geochemical and geophysical surveys exploration crews identified 27 areas to be trenched and nine priority diamond drill targets. There are now two large backhoes and two diamond drills on site to complete preliminary testing of these targets by year-end.

<u>HOLE</u>	<u>WIDTH</u>	<u>OZ.GOLD/T</u>	
287	1.6 m.	0.200	' targets has resulted in discovery
288	1.9	9.110	' of the <u>Bain and Heather veins.</u>
291	4.0	.131	' Sampling of <u>the Bain vein,</u> which
292	1.0	.110	' was excavated over a total length
-----			' of 27 meters (88 feet), averaged

1.7 oz.gold/ton over an average width of 1.4 meters (4.6 feet). An additional 23 meters of untrenched intervening length was not sampled but is assumed to be of similar grade. Four diamond drill holes (above) were completed in the discovery area over a strike length of 150 meters, 492 feet. Drilling is continuing in both directions to establish the extent of this structure. The mineralization and structural characteristics of this new vein are similar to most of the productive veins on the property.

The Bain and Heather veins, together with other recently developed targets on the property, offer greater potential at lower cost and consequently rank higher in priority than targets being sought with the No. 10 Adit.

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