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George Cross News Letter

"Reliable Reporting"

WESTERN CANADA

CUSAC INDUSTRIES LTD. (CQC-T,V)

NEGOTIATIONS TO PROCEED - Cusac Industries has completed the due diligence on the Erickson gold mine located near Cassiar, B.C. Negotiations for the acquisition of this project have been in progress since 31Oct91. Cusac now intends to complete negotiations and acquire 100% of the project.

The 300 ton per day floatation mill is in excellent shape mechanically and could be fully operational with the installation of two generators, currently on site. The assessed value of the mill and out buildings is \$3,600,000. Also located on site is additional \$1,000,000 in heavy equipment, mining equipment and support equipment. Replacement value of the infrastructure consisting of roads, power lines, etc. would be approximately \$1,500,000.

In addition, 4,800 ft. of 8 ft. x 8 ft. cross cut has been completed at a cost of \$2,000,000. The cross cut was driven toward high grade zone which returned 10.82 ft. of 11.68 oz. gold/t. Cusac estimates the potential mineral resource for the property is 220,000 tons of 0.67 oz. gold/t.

Cusac's 30% net profits interest in the Table Mt. project is a valuable asset as virtually all of the known minable reserves are located on Cusac's claims.

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