

1710 - 609 GRANVILLE ST
PO BOX 10363
VANCOUVER BC
CANADA V7Y 1G5
(604) 683-7265 FAX 683-5306
BBS 683-7206

George Cross News Letter

"Reliable Reporting"

WESTERN CANADIAN INVESTMENTS

COPY.
ALL REPROD.
RIGHT RESEAR.
PUBLISHED DATA
SUBSCRIPTION RA.
\$315.00 PER YEAR

NO. 113 (1994)
JUNE 14, 1994

JUN 21 1994

NO. 113 (1994)
JUNE 14, 1994

CUSAC INDUSTRIES LTD.
[CQC-V,T;CUSIF-NASDAQ] 12,833,237 SHS.
GOLD PRODUCTION 3,000 OZ. IN FIRST OPERATING MONTH

NEW UNDERGROUND WORK ADDS 17,000 OZ. TO RESERVES

During May 1994, the first month of production, the West Bain vein of the Table Mountain mine of Cusac Industries Ltd., produced, recovered and sold in excess of 3,000 ounces of gold with a value of approximately CDN \$1,480,000. Operating costs are estimated at CDN \$150.00 per oz. Since the smelter contracts provide for final payment 90 days after receipt of the concentrate, more detailed numbers will be reported in the quarterly report.

The 100%-owned Table Mountain mine, located at Cassiar, in northern B.C., extracted between 280 and 300 tons of ore per day with an average grade of 0.68 oz. gold per ton from the West Bain vein in the past month. The gold recovery plant at the mine with a daily capacity of 400 tons recovered in excess of 90% of the gold in the ores. Currently, about 60% of the coarse gold was recovered in the jigs and vibratory tables with the 40% balance collected in the flotation concentrate. Historically, the plant has operated at this same 60% of the gold in the jig concentrate and 40% in the flotation concentrate. Indications are that with modest adjustments gold recovery will increase to the 95% to 96% range with a slightly increased percentage in the jig concentrates.

In recent weeks development of the West Bain Vein has included surface trenches, two raises, drifts on two levels and a decline, a total of 570 feet of underground development, which has confirmed 8,500 tons of new reserves containing in excess of 17,000 oz. gold. This work has established these as proven reserves. They had previously been in the indicated classification at a grade of 0.68 oz. gold per ton. The grade of this ore, as a result of 59 new chip samples, has now been more than doubled to 2.021 oz. gold per ton. The vein is persistent, open to extension to the west and to depth. The average grade of the deepest development on the vein at the toe of the decline is 1.816 oz. gold per ton across 3.9 feet. In the decline the vein is well developed and highly mineralized with abundant coarse visible gold. Underground drill stations have been cut and drilling to test for these extensions will continue over the next few weeks. There are some indications the Bain vein and the Bonanza vein, 500 feet to the west, may be connected which, if established, could add substantially to overall reserves of 104,000 tons grading 0.769 oz. gold/ton, for a total contained 79,925 oz. of gold. Present Bonanza vein reserves are 5,000 tons grading 0.5 oz gold per ton.

Drill hole assay results on this drilling and elsewhere on the property will be reported as warranted. (SEE GCNL NO.90, 11May94, P.1 FOR PREVIOUS PROJECT INFORMATION)

104P 70